

FAIR PRACTICES CODE

OF

YVU FINANCIAL SERVICES PRIVATE LIMITED

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1. Preamble

1.1 YVU Financial Services Private Limited ("the Company" or "YVU Financial") is a Non-Banking Financial Company – Micro Finance Institution (NBFC-MFI) registered with the Reserve Bank of India and classified in the Base Layer under the Scale-Based Regulation framework. The Company is the regulated micro-lending arm of the YVU Group and extends collateral-free credit, predominantly to low-income households and handloom-weaver families, through its network of branches across Manipur and Assam.

1.2 The Company's relationship with its borrowers rests on responsible lending, transparency and ethical conduct. This Fair Practices Code ("this Code" or "the FPC") is the instrument through which those commitments are converted into binding standards of conduct that every office, employee and engaged third party of the Company shall observe in dealing with borrowers, from the first enquiry through to the final discharge of the loan.

1.3 The Company operates in a disturbance-prone environment. Since May 2023, ethnic unrest in Manipur, curfews, bandhs and road blockages, intermittent internet and communication shutdowns, and the displacement and livelihood disruption of borrowers have materially affected field operations and collections. The Company recognises that fair conduct is tested most sharply in such conditions, and that its dealings with borrowers in distress — particularly in recovery and grievance redressal — shall be marked by empathy, restraint and strict adherence to the non-coercive standards set out in this Code.

1.4 This Code is framed under the Reserve Bank of India's directions on responsible business conduct and on microfinance institutions in force from time to time, read with the codes of the Company's self-regulatory organisation. It is proportionate to the Company's size, scale of operations, nature of business, complexity of operations and risk profile as a Base Layer NBFC-MFI, and does not import obligations that bind only larger or higher-layer entities.

1.5 This Code shall be read together with the Company's other Board-approved policies, including the Microfinance Credit Policy (which also carries the Company's asset classification, provisioning and write-off framework), the Loan Pricing Policy, the Grievance Redressal Policy, the KYC/AML Policy and the Risk Management Policy. Where this Code touches a matter governed in detail by another such policy, this Code states the borrower-protection standard and cross-refers to that policy for the operational detail, and shall be construed so as not to conflict with it.

2. Objective

The objective of this Code is to:

- i. promote a fair, transparent and non-discriminatory relationship between the Company and its borrowers;
- ii. ensure that every borrower receives, in a language the borrower understands, complete and accurate information on the terms, cost and conditions of the loan before the borrower commits to it;
- iii. ensure that the all-inclusive cost of credit is disclosed through a standardised Key Facts Statement and that no amount outside it is charged;
- iv. ensure that loans are appraised on the borrower's household income and existing indebtedness, so that lending remains affordable and responsible;
- v. ensure that the Company's conduct in collection and recovery is non-coercive, respectful and lawful, and that borrowers facing genuine repayment difficulty are identified and engaged with constructively;
- vi. ensure that the Company remains accountable for the conduct of its employees and of any agency to which it outsources an activity;
- vii. provide every borrower with an accessible grievance-redressal mechanism and a clear route of escalation to the RBI Ombudsman;
- viii. ensure that the Company's commitment to fair practices is prominently displayed and consistently communicated; and
- ix. embed these standards in the Company's recruitment, training, supervision and consequence-management so that fair conduct is a matter of culture and not merely of documentation.

3. Scope and Applicability

3.1 This Code applies to:

- i. all microfinance loans extended by the Company, and, to the extent relevant, any other loan facility it may extend;
- ii. the Head Office and all branches and other offices of the Company;
- iii. all directors, officers and employees of the Company, including field staff;
- iv. all persons, agencies, lending service providers and business correspondents engaged by the Company in any activity that involves dealing with borrowers or borrower information; and
- v. every stage of the borrower relationship — solicitation, application, appraisal, sanction, disclosure, documentation, servicing, recovery, grievance redressal and closure.

3.2 This Code takes effect upon approval by the Board of Directors and remains in force until amended, replaced or withdrawn by the Board.

3.3 In case of any conflict between this Code and any applicable law, regulation or direction of the Reserve Bank of India, the applicable law, regulation or direction shall prevail, and the Company shall be deemed to act in accordance with the same notwithstanding anything to the contrary in this Code.

4. Regulatory Framework

4.1 This Code is framed under, and shall be read consistently with, the following instruments, in each case as amended, re-enacted or replaced from time to time:

- i. the Reserve Bank of India Act, 1934;
- ii. the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023;
- iii. the Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025, which carry the Fair Practices Code, pricing and disclosure, Key Facts Statement, loan-card, staff-conduct, penal-charges and recovery-conduct provisions applicable to microfinance lending;
- iv. the Reserve Bank of India (Non-Banking Financial Companies – Microfinance Institution) Directions, 2025, which carry the definition of a microfinance loan, the qualifying-assets and capital requirements, and the obligation of self-regulatory-organisation membership;
- v. the Reserve Bank of India (Pre-payment Charges on Loans) Directions, 2025;
- vi. the Reserve Bank of India (Digital Lending) Directions, 2025, to the extent the Company sources or services any loan through a digital lending application or a lending service provider;
- vii. the directions on the Key Facts Statement for Loans and Advances, as carried into the Responsible Business Conduct Directions, 2025;
- viii. the Reserve Bank – Integrated Ombudsman Scheme (RB-IOS), 2021;
- ix. the Master Direction – Know Your Customer (KYC) Directions, 2016;
- x. the Reserve Bank of India directions on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to advances, applicable to non-banking financial companies;
- xi. the Code for Responsible Lending and the Code of Conduct issued by Microfinance Institutions Network (MFIN) and Sa-Dhan, the Reserve Bank-recognised self-regulatory organisations for the microfinance sector; and
- xii. the Companies Act, 2013, and the rules made thereunder.

4.2 The Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 stands withdrawn as part of the Reserve Bank's consolidation of the non-banking-financial-company regulatory framework (repealed with effect from 28 November 2025); its provisions have been carried forward, without change of substance, into the

instruments at clauses 4.1(iii) and 4.1(iv) above. References in this Code to those instruments shall be read accordingly.

4.3 The conduct of the Company under this Code is governed by the following regulatory principles, which inform the interpretation of every chapter: transparency in the terms and cost of credit; responsible and affordable lending assessed on household income and indebtedness; non-discrimination among borrowers; fair, lawful and non-coercive collection and recovery; protection of borrower data and privacy; accountability of the Company for its own staff and for any outsourced agency; accessible grievance redressal with escalation to the Reserve Bank; and proportionality of controls to the Company's status as a Base Layer NBFC-MFI.

4.4 The Compliance Officer shall track changes in the instruments listed in clause 4.1 and shall place before the Board any change that requires this Code, or the Company's practice under it, to be revised.

5. Definitions

5.1 In this Code, unless the context otherwise requires:

- i. **"the Company" / "YVU Financial"** means YVU Financial Services Private Limited;
- ii. **"the Board"** means the Board of Directors of the Company;
- iii. **"Microfinance Loan"** means a collateral-free loan extended to a Household having annual household income up to ₹3,00,000, in accordance with the applicable RBI Directions, and not linked with a lien on any deposit account of the borrower;
- iv. **"Household"** means an individual family unit, that is, husband, wife and their unmarried children;
- v. **"Borrower"** means a person who has applied for, or has been extended, a loan by the Company, and includes a prospective borrower where the context so requires;
- vi. **"Key Facts Statement" / "KFS"** means the standardised statement of the key facts of a loan, including the Annual Percentage Rate and the repayment schedule, provided to the borrower in a language the borrower understands and in the format prescribed under the applicable RBI Directions;
- vii. **"Annual Percentage Rate" / "APR"** means the annual cost of credit to the borrower expressed as a percentage, inclusive of the interest rate and all other charges associated with the loan;
- viii. **"Equated Periodic Instalment" / "EPI"** means a fixed periodic repayment comprising both principal and interest that results in the complete amortisation of the loan over its tenor;
- ix. **"Penal Charges"** means charges levied by the Company for non-compliance by the borrower with the material terms of the loan, including delayed repayment, which are in the nature of charges and not penal interest, are levied on the overdue amount only, and are not capitalised;
- x. **"Loan Card"** means the card or passbook issued to the borrower recording the information required under Chapter 11 of this Code;
- xi. **"Recovery Agent"** means an agency engaged by the Company for the recovery of dues from its borrowers, and the employees of such an agency;
- xii. **"Nodal Officer" / "Principal Nodal Officer"** means the officer(s) designated by the Company under the Grievance Redressal Policy to receive and dispose of borrower grievances and to interface with the RBI Ombudsman;
- xiii. **"RB-IOS"** means the Reserve Bank – Integrated Ombudsman Scheme, 2021;

- xiv. **"Outsourcing"** means the Company's use of a third party, including a Lending Service Provider or a Business Correspondent, to perform on a continuing basis an activity that the Company would otherwise undertake itself;
- xv. **"Self-Regulatory Organisation" / "SRO"** means a self-regulatory organisation for the microfinance sector recognised by the Reserve Bank, of which the Company is a member.

5.2 Words and expressions used but not defined in this Code shall have the meanings respectively assigned to them under the applicable RBI Directions, the Companies Act, 2013, or, failing both, under general law.

6. General Principles of Fair Conduct

6.1 Transparency. The Company shall deal with every borrower on transparent terms. It shall disclose, before the borrower commits to the loan, the all-inclusive cost of credit, the terms and conditions, and the obligations and rights of the borrower, and shall not levy any charge that has not been disclosed to the borrower in accordance with this Code.

6.2 Non-discrimination. The Company shall not discriminate among borrowers or applicants on grounds of religion, caste, sex, descent, place of birth, marital status or disability. Differential treatment founded on objective, risk-based parameters applied uniformly, and disclosed to the borrower, shall not be regarded as discrimination.

6.3 Language understood by the borrower. All communications to a borrower under this Code — the application form, the acknowledgement, the sanction communication, the Key Facts Statement, the loan agreement, the loan card, notices of change and grievance-related communications — shall be in a language the borrower understands. The Company operates principally in Manipuri (in Manipur), Assamese (in Assam) and Bengali (in Tripura, where applicable), and shall use the appropriate vernacular for the borrower concerned.

6.4 Privacy of borrower information. The Company shall respect the privacy of borrower data and shall collect, use, retain and share such data only for purposes connected with the loan and as permitted by applicable law and the Company's data-protection arrangements. An assurance to this effect shall be included in the loan agreement. This clause shall be read with the Company's KYC/AML Policy and its data-protection arrangements.

6.5 Non-interference. The Company shall refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement, unless information not earlier disclosed by the borrower has subsequently come to the notice of the Company.

6.6 Accountability for employees and outsourced agencies. The Company shall be accountable for inappropriate behaviour towards a borrower by its own employees and by the employees of any agency to which it has outsourced an activity, and shall provide timely redressal of grievances arising from such behaviour. A declaration to this effect shall be made in the loan agreement and in this Code as displayed at the Company's premises and on its website. Outsourcing of any activity shall not diminish the Company's obligations under this Code, and the onus of compliance shall rest solely with the Company.

6.7 Proportionality. The obligations under this Code shall be discharged in a manner proportionate to the Company's size, scale of operations, nature of business, complexity of operations and risk profile as a Base Layer NBFC-MFI.

7. Loan Applications and Their Processing

7.1 Information in the application form. The loan application form shall contain such information as materially affects the interest of the borrower, so that the borrower can make a meaningful comparison with the terms offered by other lenders and take an informed decision. The application form shall indicate the documents required to be submitted with it.

7.2 Communication in the borrower's language. The application form and all communications connected with the application shall be in a language the borrower understands, in accordance with clause 6.3.

7.3 Acknowledgement and disposal timeline. The Company shall give an acknowledgement for the receipt of every loan application. The acknowledgement shall indicate the indicative time-frame within which the application will be disposed of. The Company shall ordinarily communicate its decision on an application within fifteen days of receipt of the duly completed application together with all required documents.

7.4 A non-cumbersome process. The Company shall ensure that the procedure for applying for a loan is not cumbersome and that disbursement, where a loan is sanctioned, is made in accordance with a pre-determined time structure.

7.5 Operating-environment disruption. Where curfew, bandh, road blockage, internet or communication shutdown or similar disruption prevents the Company from adhering to an indicated timeline, the Company shall communicate the revised position to the affected applicants as soon as practicable and shall not treat the delay as a rejection. Nothing in this clause shall be used to defer, without communication, the disposal of an application that the Company is in a position to process.

8. Appraisal, Sanction and Terms

8.1 Collateral-free; no lien on deposit. Microfinance loans extended by the Company shall be collateral-free. The Company shall not link a microfinance loan with a lien on any deposit account of the borrower, and shall not collect any security deposit or margin from a microfinance-loan borrower.

8.2 Responsible appraisal — household income and indebtedness. Before sanctioning a loan, the Company shall assess the borrower's household income and existing indebtedness, and shall satisfy itself that the monthly repayment obligations of the household, taking into account all of its outstanding loans together with the loan under consideration, do not exceed the prescribed proportion of the monthly household income. The Company shall make use of credit-information-company data and shall corroborate it from other sources, including the borrower's declaration, bank-account statements and local enquiry. The methodology for the assessment of household income, the limit on repayment obligations and the credit-bureau checks are set out in the Company's **Credit Policy**, with which this Code shall be read; this Code states the borrower-protection standard and does not restate that methodology.

8.3 Due diligence and KYC. The Company shall comply with the Reserve Bank's KYC directions and shall carry out due diligence on every borrower to assess repayment capacity, in accordance with the Company's KYC/AML Policy and Credit Policy.

8.4 Communication of sanction terms. Where a loan is sanctioned, the Company shall convey to the borrower in writing, by a sanction communication or other means and in a language the borrower understands, the amount sanctioned, the annualised rate of interest and the method of its application, and all other terms and conditions attached to the loan. The Company shall obtain and retain on record the borrower's acceptance of these terms and conditions.

8.5 Flexibility of repayment periodicity. The Company shall, in accordance with its Board-approved policy, offer flexibility in the periodicity of repayment of microfinance loans — such as weekly, fortnightly or monthly — as per the borrower's requirement, and shall record the agreed periodicity in the Key Facts Statement and the loan documentation.

8.6 Centralised sanction and disbursement under dual control. All sanctioning and disbursement of loans shall be carried out only at a central or designated location, shall involve more than one individual, and shall be subject to close supervision of the disbursement function. The Company shall retain disbursement-authorisation records as evidence of compliance with this clause.

8.7 Transfer of the borrower's account. On receipt of a request from a borrower for the transfer of the borrower's loan account, the Company shall convey its consent or its objection, if any, within twenty-one days of receipt of the request. Any such transfer shall be on transparent contractual terms and in consonance with applicable law.

9. Pricing, Charges and Disclosure

9.1 Board-approved pricing; cross-reference to the Loan Pricing Policy. The interest rate and all other charges on the Company's loans shall be determined in accordance with the Company's Board-approved **Loan Pricing Policy**, which sets out the interest-rate model, the components of the rate (cost of funds, risk premium and margin), the range of spread for each category of borrower, and a ceiling on the interest rate and all other charges. This Code states the borrower-protection and disclosure standards and does not restate the rate model; it shall be read consistently with the Loan Pricing Policy.

9.2 Not usurious. The interest rate and all other charges and fees on microfinance loans shall not be usurious, and shall be subject to supervisory scrutiny by the Reserve Bank.

9.3 Disclosure of the all-inclusive rate. The interest rate, the approach to the gradation of risk and the rationale for charging different rates to different categories of borrower shall be disclosed to the borrower in the Key Facts Statement and communicated explicitly in the sanction communication. The rate disclosed shall be the annualised rate, so that the borrower is aware of the exact rate that will be charged to the account.

9.4 No pre-payment penalty. The Company shall not levy any pre-payment charge or foreclosure penalty on a microfinance loan.

9.5 Penal charges, not penal interest. Where the borrower fails to comply with a material term of the loan, including by delayed repayment, the Company may levy penal charges in accordance with the Loan Pricing Policy. Such charges:

- i. shall be levied as penal charges and not as penal interest, and shall not be added to the principal outstanding or otherwise capitalised, nor shall any further interest be computed on them;
- ii. shall be levied on the overdue amount only, and not on the entire loan amount;
- iii. shall be reasonable, and commensurate with and not disproportionate to the non-compliance, and shall be applied without discrimination among borrowers within the same category;
- iv. shall not exceed the quantum specified in the Loan Pricing Policy as approved by the Board from time to time; and
- v. shall be disclosed in the Key Facts Statement, in the loan agreement and on the Company's website, and the quantum and reason for the penal charges shall be communicated to the borrower whenever a reminder for non-compliance is sent and whenever such charges are levied.

9.6 Display of interest rates. The Company shall prominently display the minimum, maximum and average interest rates charged on its microfinance loans in all its offices, in the literature

(information booklets and pamphlets) issued by it and on its website, and shall include this information in the supervisory returns submitted to the Reserve Bank. The rates and the approach to the gradation of risk shall be updated on the website (www.yvumf.com) whenever there is a change.

9.7 Changes effected prospectively. Any change in the interest rate or in any other charge shall be informed to the borrower in advance, in a language the borrower understands, and shall be effective only prospectively. A change adverse to the borrower shall not be applied to a period preceding the date of the change.

9.8 No charge outside the disclosed terms. The Company shall not recover from the borrower any fee or charge that has not been disclosed in the Key Facts Statement and the loan agreement, except with the explicit consent of the borrower obtained in accordance with Chapter 10.

10. Key Facts Statement (KFS) and Factsheet

10.1 KFS to every prospective borrower. The Company shall provide a Key Facts Statement to every prospective borrower, before the execution of the loan contract, in the standardised format prescribed under the applicable RBI Directions and in a language the borrower understands, to enable the borrower to take an informed decision. The contents of the KFS shall be explained to the borrower, and the Company shall obtain an acknowledgement that the borrower has understood them.

10.2 Contents of the KFS. The Key Facts Statement shall, among other things, set out the sanctioned loan amount, the disbursement schedule, the loan term, the instalment details, the interest rate and type, the fees and charges payable (whether to the Company or to a third party through the Company), the Annual Percentage Rate, and the details of contingent charges including penal charges. It shall be accompanied by a computation sheet of the Annual Percentage Rate and by the amortisation schedule of the loan over its tenor. The Annual Percentage Rate shall include all charges levied by the Company, and charges recovered on behalf of third-party service providers, such as insurance charges, shall form part of the Annual Percentage Rate and shall be disclosed separately.

10.3 Unique proposal number and validity. The Key Facts Statement shall be provided with a unique proposal number and shall carry a validity period of at least three working days for a loan having a tenor of seven days or more. Where the borrower agrees to the terms of the loan within the validity period, the Company shall be bound by the terms indicated in the Key Facts Statement.

10.4 Nothing charged outside the KFS. Any fee or charge that is not mentioned in the Key Facts Statement shall not be charged by the Company to the borrower at any stage during the term of the loan without the explicit consent of the borrower.

10.5 Receipts for third-party charges. Where the Company recovers any charge on behalf of a third-party service provider, it shall provide the borrower, within a reasonable time, with the receipt and related documents for each such payment.

10.6 KFS as a summary box in the loan agreement. The Key Facts Statement shall also be included as a summary box exhibited as part of the loan agreement.

11. Loan Agreement and Loan Card

11.1 Standard form of loan agreement. The Company shall have a Board-approved standard form of loan agreement for microfinance loans, in a language the borrower understands. The Company shall furnish a copy of the loan agreement to the borrower at the time of disbursement.

11.2 Disclosures in the loan agreement. The loan agreement shall disclose, among other things:

- i. all the terms and conditions of the loan;
- ii. the exact due dates for repayment, the frequency of repayment, and the breakup between principal and interest, together with illustrative dates of classification as a Special Mention Account and as a Non-Performing Asset, in accordance with the Company's Asset Classification and Provisioning Policy and the applicable IRACP directions;
- iii. that the loan is collateral-free and that no security deposit or margin is collected from the borrower;
- iv. the components of the cost of the loan and the contingent charges, including penal charges, consistent with Chapter 9 and the Key Facts Statement;
- v. the Key Facts Statement, exhibited as a summary box in accordance with clause 10.6;
- vi. the declaration of the Company's accountability for the conduct of its employees and of any outsourced agency, in accordance with clause 6.6;
- vii. an assurance that the privacy of borrower data will be respected, in accordance with clause 6.4; and
- viii. the clause relating to the engagement of recovery agents and the clause detailing the grievance-redressal mechanism, with the contact details of the Nodal or Principal Nodal Officer.

11.3 Loan card. The Company shall provide a loan card to every borrower, which shall incorporate:

- i. information which adequately identifies the borrower;
- ii. the simplified factsheet on pricing;
- iii. all other terms and conditions attached to the loan;
- iv. the acknowledgement by the Company of all repayments, including instalments received, and of the final discharge of the loan; and

- v. the details of the grievance-redressal system, including the name and contact number of the Nodal Officer of the Company.

11.4 **Language of the loan card.** All entries in the loan card shall be in a language the borrower understands.

11.5 **Non-credit products.** Any non-credit product shall be issued only with the full consent of the borrower, and the fee structure for such a product shall be explicitly communicated to the borrower in the loan card itself.

12. Conduct of Staff and Outsourcing

12.1 Board-approved policy on staff conduct. The Company shall have a Board-approved policy on the conduct of its employees and a system for their recruitment, training and monitoring. The policy shall lay down the minimum qualifications for staff and shall provide the training tools necessary to deal with borrowers appropriately.

12.2 Conduct reflected in compensation. The conduct of employees towards borrowers shall be incorporated appropriately in their compensation matrix. The Company's compensation arrangements for field staff shall place emphasis on the quality of service and borrower satisfaction, and not merely on the number of loans mobilised or the rate of recovery.

12.3 Training of field staff. Field staff shall be trained to make the necessary enquiries regarding the income and the existing debt of the household, and to deal with borrowers without resorting to any abusive or coercive collection or recovery practice. Training shall include the Company's grievance-redressal mechanism and the standards of recovery conduct set out in Chapter 13. The detail of the Company's training programmes is set out in Chapter 17.

12.4 Borrower training free of cost. Any training offered by the Company to its borrowers shall be free of cost. Field staff shall make borrowers fully aware of the procedures and systems relating to the loan and other products.

12.5 Accountability where any activity is outsourced. The Company presently undertakes no material outsourcing of its own activities. Should the Company in future outsource any activity, including to a Lending Service Provider or recovery agency, such outsourcing shall not diminish its obligations under this Code or under any applicable law or RBI direction, the onus of compliance shall rest solely with the Company, and the Company shall remain accountable for any inappropriate conduct towards a borrower by the outsourced agency and shall provide timely grievance redressal. Any such arrangement shall be governed by the applicable RBI directions on managing risks in outsourcing, including the Reserve Bank of India (Non-Banking Financial Companies – Managing Risks in Outsourcing) Directions, 2025, as amended, re-enacted or replaced from time to time, and the Company shall at that time put in place a Board-approved outsourcing policy. The Company's role as a Business Correspondent performing sourcing and recovery on behalf of other lenders is a service it provides to those lenders and does not constitute outsourcing by the Company.

13. Recovery of Loans — Non-Coercive Conduct

13.1 Identification of and engagement with borrowers in difficulty. The Company shall maintain a mechanism for the identification of borrowers facing repayment-related difficulties, for engagement with such borrowers, and for providing them with guidance about the recourse available. Given the Company's operating environment, including the displacement, livelihood disruption and income loss arising from the unrest in Manipur, the Company shall apply this mechanism with empathy and shall not treat a borrower's genuine, circumstance-driven difficulty as wilful default.

Where a borrower faces genuine repayment difficulty, the Company may, on a case-by-case basis and with the approval of the competent authority, consider relief measures such as rescheduling of instalments, revision of the repayment periodicity, or restructuring of the loan, in accordance with the Microfinance Credit Policy and the applicable RBI Directions on resolution of stressed assets. Any such measure shall be granted only on terms that the borrower can realistically meet, shall be recorded in writing and communicated to the borrower in a language the borrower understands, and shall not be used to evergreen an account, defer the recognition of a non-performing asset, or conceal portfolio stress.

13.2 Place of recovery. Recovery shall be made at a designated or central designated place decided mutually by the borrower and the Company. Field staff shall be allowed to make recovery at the place of residence or work of the borrower only if the borrower fails to appear at the designated or central designated place on two or more successive occasions. This applies to both group loans and individual loans.

13.3 Prohibited practices. Neither the Company nor any person acting on its behalf shall engage in any harsh method towards recovery. Without limiting the generality of the foregoing, the following practices shall be deemed to be harsh and are prohibited:

- i. the use of threatening or abusive language;
- ii. persistently calling the borrower, or calling the borrower before 9:00 a.m. or after 6:00 p.m.;
- iii. harassing relatives, friends or co-workers of the borrower;
- iv. publishing the name of the borrower;
- v. the use or the threat of use of violence, or other similar means to harm the borrower or the borrower's family, assets or reputation; and
- vi. misleading the borrower as to the extent of the debt or the consequences of non-repayment.

13.4 Recovery by employees only. The Company shall use only its own employees for the recovery of dues from borrowers and shall not engage any external recovery agent. Should the

Company in future decide to engage a recovery agent, it shall not do so until it has put in place the controls required under the applicable RBI Directions, namely: a due-diligence process covering the individuals involved, including verification of antecedents through police verification; the provision to the borrower of the details of the recovery agent on initiating recovery; the carrying by the agent of the Company's notice, authorisation letter and identity card bearing the contact details of the agent and the Company; and the hosting of the up-to-date list of engaged agencies on the Company's website. Until such controls are in place and approved, the employees-only standard in this clause shall govern.

13.5 Dedicated recovery-grievance mechanism. The Company shall maintain a dedicated mechanism for the redressal of recovery-related grievances. The details of this mechanism shall be provided to the borrower at the time of disbursement of the loan and shall be recorded in the loan card. A grievance concerning recovery conduct shall be dealt with under this mechanism and under Chapter 14.

13.6 Recall and acceleration. Any decision by the Company to recall a loan or to accelerate payment or performance under the loan agreement shall be in consonance with the terms of that agreement.

13.7 Release of securities. Microfinance loans extended by the Company are collateral-free, and accordingly no security falls to be released on their repayment. In respect of any other facility under which the Company holds a security, the Company shall release the security on repayment or realisation of all dues, subject to any legitimate right of set-off the Company may have against the borrower; where the Company proposes to exercise such a right of set-off, it shall give the borrower notice, with full particulars of the remaining claims and the conditions under which the Company is entitled to retain the security until the relevant claim is settled.

14. Grievance Redressal and the RBI Ombudsman

14.1 Board-approved mechanism. The Company shall maintain a grievance-redressal mechanism approved by the Board, ensuring that a dispute arising out of a decision of any functionary of the Company is heard and disposed of at least at the next higher level. The detailed mechanism, including complaint channels, turnaround times and internal escalation, is set out in the Company's **Grievance Redressal Policy**, with which this chapter shall be read; this Code states the borrower-facing standards and the route of escalation to the Reserve Bank.

14.2 Channels for raising a grievance. A borrower may raise a grievance at any branch of the Company, at its Head Office, or through the contact details published on the loan card, in the offices of the Company and on its website. A grievance may relate to any matter under this Code, including a grievance concerning recovery conduct under Chapter 13.

14.3 Nodal Officer and Principal Nodal Officer. The Company shall designate a Nodal Officer, and a Principal Nodal Officer, for the redressal of borrower grievances and for interface with the Office of the RBI Ombudsman. The name, designation, address, telephone number and email address of the Nodal Officer and the Principal Nodal Officer shall be displayed prominently at the Head Office and at every branch, and on the Company's website, and shall be recorded on the loan card.

14.4 Turnaround. The Company shall acknowledge a grievance on receipt and shall endeavour to resolve it within the time-frame specified in the Grievance Redressal Policy. Where a grievance is not resolved within one month of its receipt, the Company shall inform the borrower of the reasons and of the borrower's right to escalate the matter to the RBI Ombudsman.

14.5 Escalation to the RBI Ombudsman. If a complaint is not resolved by the Company within one month, or if the borrower is dissatisfied with the resolution, the borrower may approach the Office of the RBI Ombudsman under the Reserve Bank – Integrated Ombudsman Scheme (RB-IOS), 2021, including through the Reserve Bank's Complaint Management System portal (cms.rbi.org.in). The Company shall prominently display, at the Head Office and at every branch and on its website, the salient features of the RB-IOS together with the details of the Principal Nodal Officer, in the form required under the Scheme.

14.6 Internal Ombudsman. The requirement to appoint an Internal Ombudsman under the Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023 does not apply to the Company, which is below the applicability threshold prescribed thereunder. The Company shall review this position if its asset size or customer interface changes such that the threshold is met.

14.7 Reporting to the Board. The Company shall place before the Board, at periodic intervals, a report on the grievances received, redressed and pending, including grievances concerning recovery conduct, in accordance with the Grievance Redressal Policy.

15. Display, Language and Transparency

15.1 Display of this Code. The Company shall display this Fair Practices Code, in a language the borrower understands, at the Head Office and at every branch, and shall publish it on its website (www.yvumf.com).

15.2 Statement of commitment. The Company shall display, at the Head Office and at every branch, a statement in a language the borrower understands affirming its commitment to transparency and fair lending towards its borrowers.

15.3 Mandatory display schedule. The Company shall prominently display, at the Head Office and at every branch, in the literature issued by it, and on its website, in each case in a language the borrower understands, the following:

- i. this Fair Practices Code (clause 15.1) and the statement of commitment (clause 15.2);
- ii. the minimum, maximum and average interest rates charged on microfinance loans, and the approach to the gradation of risk, in accordance with Chapter 9;
- iii. the grievance-redressal system and the grievance-escalation matrix, including the contact details of the Nodal Officer and the Principal Nodal Officer (Chapter 14);
- iv. the salient features of the RB-IOS, 2021, and the route to the RBI Ombudsman, including the Complaint Management System portal (clause 14.5);
- v. the declaration of the Company's accountability for the conduct of its employees and of any outsourced agency (clause 6.6); and
- vi. the dedicated recovery-grievance mechanism (clause 13.5).

15.4 Currency of displays. The Company shall keep the displayed and published information current, and shall update it whenever there is a change, including a change in the interest rates, in the designated officers or in the regulatory position.

15.5 Operational schedule. The detail of what is displayed, where, and in which language is set out in the Mandatory Display Schedule at Annexure B, which management may revise without amendment of this Code provided it remains consistent with this chapter.

16. Roles and Responsibilities

16.1 Board of Directors. The Board shall approve this Code and any amendment to it; shall exercise oversight of the Company's adherence to fair-practices standards; and shall consider the periodic Fair Practices Code compliance report and the grievance report placed before it, and direct corrective action where required.

16.2 Managing Director / Chief Executive Officer. The Managing Director shall be accountable for the implementation of this Code across the Company; shall ensure that systems, staffing and training are in place to give effect to it; and shall approve minor and procedural amendments under the delegation in Chapter 19.

16.3 Compliance Officer. The Compliance Officer, designated separately from the Managing Director, shall have oversight of compliance with this Code; shall track changes in the regulatory instruments listed in Chapter 4 and place before the Board any change requiring revision of this Code; shall compile and place before the Board the periodic Fair Practices Code compliance report in the format at Annexure A; and shall be accountable to the Audit Committee in respect of this function.

16.4 Internal Audit. The Internal Audit function shall bring compliance with this Code within the scope of its audits and inspections, and shall report its findings to the Audit Committee and the Board.

16.5 Head of Operations. The Head of Operations shall be responsible, as the first line, for the operational execution of this Code in the field — for borrower communication, disclosure, the issue of the Key Facts Statement and loan card, the conduct of disbursement and recovery, and the maintenance of the registers and formats at the Annexures.

16.6 Branch Managers. Each Branch Manager shall ensure that this Code is displayed and observed at the branch; that all borrower communications and documents are in a language the borrower understands; that the mandatory displays under Chapter 15 are current; and that grievances received at the branch are recorded and escalated.

16.7 Field staff. Field staff shall deal with borrowers in accordance with this Code; shall make the enquiries required at appraisal; shall observe the non-coercive recovery standards in Chapter 13; and shall not engage in any prohibited practice.

16.8 All employees. Every employee shall be familiar with this Code to the extent relevant to that employee's role and shall conduct dealings with borrowers in accordance with it.

17. Training and Fair-Conduct Culture

17.1 Induction and periodic training. The Company shall provide induction training on this Code to every employee whose role involves dealing with borrowers or borrower information, and shall provide periodic refresher training. Training shall cover disclosure obligations, the Key Facts Statement, non-coercive recovery conduct, the prohibited practices in clause 13.3, the grievance-redressal mechanism, and the treatment of borrowers in difficulty under clause 13.1.

17.2 Field-staff training. Field staff shall, in addition, be trained to assess household income and existing debt, to deal with borrowers without resorting to any abusive or coercive practice, and to operate sensitively in the Company's disturbance-prone environment.

17.3 Borrower awareness. Any training or awareness the Company offers to borrowers shall be free of cost and shall make borrowers aware of the procedures and systems relating to their loan and to the grievance-redressal mechanism.

17.4 Culture. The Company shall foster a culture in which fair conduct towards borrowers is treated as integral to its business and not merely as a compliance requirement, reinforced through the compensation-matrix linkage in clause 12.2 and the consequence management in Chapter 18.

17.5 Training records. The Company shall maintain records of the training imparted under this chapter, in the format at Annexure F.

18. Policy Breach and Consequence Management

18.1 What constitutes a breach. A breach of this Code includes any failure by an employee, or by a person acting on the Company's behalf, to observe a standard set out in it — including a failure of disclosure, the levy of an undisclosed or impermissible charge, the use of a prohibited recovery practice, the mishandling of a grievance, or a failure to communicate with the borrower in a language the borrower understands.

18.2 Severity classification. A breach shall be classified as:

- i. **Minor** — an isolated procedural or documentation lapse causing no borrower detriment;
- ii. **Moderate** — a lapse causing limited borrower detriment, or a repeated minor lapse;
- iii. **Major** — a breach causing material borrower detriment, or involving an undisclosed or impermissible charge; and
- iv. **Critical** — a breach involving a prohibited recovery practice, harassment, the use or threat of violence, or any conduct attracting regulatory or legal consequence.

18.3 Reporting and investigation. An employee who becomes aware of a breach shall report it to the Branch Manager or the Head of Operations, who shall escalate Major and Critical breaches to the Compliance Officer and the Managing Director. The Company shall investigate reported breaches and record the outcome in the format at Annexure G.

18.4 Consequence ladder. Consequences shall be proportionate to severity, ranging from counselling and corrective training for a Minor breach, through written warning and reversal of any wrongful charge, to disciplinary action up to and including termination for a Major or Critical breach, in accordance with the Company's HR / Code of Conduct arrangements. Any charge wrongly levied on a borrower shall be reversed and, where collected, refunded.

18.5 Reporting of material breaches. Major and Critical breaches shall be reported to the Board through the periodic Fair Practices Code compliance report or, where the seriousness requires, without waiting for the periodic cycle. This chapter shall be read with the Risk Management Policy and the Company's HR / Code of Conduct arrangements.

19. Review and Amendment

19.1 Frequency of review. This Code shall be reviewed by the Board at least once a year, or at such shorter interval as the Board may decide, and shall in any event be reviewed on the occurrence of: a material change in the applicable RBI Directions or in the codes of the self-regulatory organisation; a change in the Company's business model, products or footprint; a significant supervisory, audit or COCA observation; or a direction of the Board.

19.2 Responsibility for review. The Compliance Officer shall initiate the review, flag regulatory changes, and draw on the operational experience of the Head of Operations and the functional heads.

19.3 Approval of amendments. A material amendment to this Code shall require the approval of the Board. Minor, procedural or formatting changes, and changes to the Annexures that remain consistent with this Code, may be approved by the Managing Director under delegation from the Board and shall be reported to the Board at its next meeting.

19.4 Interpretation. The interpretation of the Board on any provision of this Code shall be final. Pending the Board's interpretation, the Managing Director may give an operational interpretation consistent with the intent of this Code and with applicable law and RBI Directions.

19.5 Supersession. This Code (Version 3.0) supersedes Version 2.0 and any prior fair-practices code, circular or instruction of the Company on the subject, to the extent inconsistent.

19.6 Conflict. In case of any conflict between this Code and any applicable law, regulation or direction of the Reserve Bank of India, the applicable law, regulation or direction shall prevail. References in this Code to any statute, Master Direction or circular shall be read as references to that instrument as amended, re-enacted or replaced from time to time.

20. Annexures

The following operational formats support this Code. Management may revise an Annexure without amendment of this Code, provided it remains consistent with the Code.

- **Annexure A — Fair Practices Code Compliance Report.** The quarterly checklist placed before the Board, mapping each requirement of this Code to its regulatory source, the compliance status, and the evidence on file.

YVU FINANCIAL SERVICES PRIVATE LIMITED

NBFC-MFI | Scale-Based Regulation – Base Layer

FAIR PRACTICES CODE — COMPLIANCE REPORT TO THE BOARD OF DIRECTORS

Version 2 — re-pointed to the December 2025 consolidated NBFC framework

For the quarter ended: _____ Placed before the Board on: _____

1. Purpose and regulatory basis

This report records the compliance position of YVU Financial Services Pvt. Ltd. (“the Company”) against the Fair Practices Code (FPC) and related customer-protection obligations applicable to an NBFC-MFI, for placement before the Board of Directors.

Change in this version. The standalone Master Direction – RBI (Regulatory Framework for Microfinance Loans) Directions, 2022 (RBI/DOR/2021-22/89) has been **withdrawn** as part of RBI’s December 2025 consolidation of the NBFC rulebook (repealed vide circular DOR.RRC.REC.302/33-01-010/2025-26 dated 28 November 2025). Its provisions were carried forward without change of substance into two consolidated instruments: the **RBI (NBFC – Responsible Business Conduct) Directions, 2025** (the FPC, pricing, KFS, loan card, conduct and recovery provisions) and the **RBI (NBFC – Microfinance Institution) Directions, 2025** (entity, capital, qualifying-assets and SRO provisions).

2. How to read the Status column

Complied	Requirement is met; supporting evidence is on the compliance file (re-confirm the evidence reference each quarter).
To verify	New, changed, or board-policy requirement whose current status/evidence must be confirmed by the Compliance Officer before this report is finalised for the Board. Do not certify 'Complied' without the evidence on file.
N/A	Not applicable to YVU on the stated ground; recorded as considered so the position is documented for any inspection.

3. Instruments this report is mapped to (post-consolidation)

#	Instrument (in force)	Reference / scope
1	RBI (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025	Houses the FPC, household-income assessment, indebtedness, pricing disclosure, KFS, loan card, staff conduct, recovery & recovery agents (ex-MD 2022, Sections 4–7 / 6A). Microfinance conduct in Section G; FPC para 76.
2	RBI (Non-Banking Financial Companies – Microfinance Institution) Directions, 2025	Entity-level: registration, capital (CRAR 15%), qualifying assets (60%), permissible activities, SRO membership (para 46), compliance accountability (para 48), NOF glidepath.
3	Repeal & commencement of the consolidation	Standalone Microfinance Loans Directions, 2022 (RBI/DOR/2021-22/89) repealed vide DOR.RRC.REC.302/33-01-010/2025-26 dated 28 Nov 2025; provisions carried forward — 'No change' in substance.

#	Instrument (in force)	Reference / scope
4	RBI (Pre-payment Charges on Loans) Directions, 2025	Pre-payment / foreclosure charge norms (cross-refer no pre-payment penalty on microfinance loans).
5	RBI (NBFC – Managing Risks in Outsourcing) Directions, 2025	Outsourcing & recovery-agent oversight; LSP arrangements; onus remains with the NBFC.
6	RBI (Digital Lending) Directions, 2025 (08 May 2025)	Applies to any sourcing/servicing via DLA/LSP (e.g., BC/LSP arrangements); KFS, cooling-off, FLDG, grievance, DLA/LSP website disclosure.
7	Reserve Bank – Integrated Ombudsman Scheme (RB-IOS), 2021	Grievance escalation to the RBI Ombudsman; CMS portal (cms.rbi.org.in).
8	MFIN / Sa-Dhan — Code for Responsible Lending (CRL) & Code of Conduct	SRO guardrails effective 01 Apr 2025: ≤3 lenders, ₹2,00,000 indebtedness cap, no fresh lending to 60-day/₹3,000 delinquents; COCA framework.

4. Fair Practices Code — compliance checklist

PART A — Governance & Board-Approved Policies (Foundational)				
#	Fair Practices Code — Requirement	Regulatory Source (current instrument [ex-MD 2022])	Status	Remarks / Evidence on File
1	Board-approved Fair Practices Code (FPC) is in place, based on the applicable RBI Directions, and is reviewed/updated whenever the framework changes.	RBC Directions 2025, para 76 [ex-MD 2022, 7.1.1]		Re-adopt the FPC by the Board as based on the Responsible Business Conduct Directions 2025 (the 2022 MD is repealed). Minute the re-adoption — see item in Section 6.
2	Board-approved policy for assessment of household income (indicative methodology), reviewed periodically.	RBC Directions 2025, Sec G – Assessment of Household Income (verify para) [ex-MD 2022, 4.1–4.2]		Confirm a standalone Board-approved policy exists with the BR number.
3	Board-approved policy on the limit of monthly loan-repayment outflows of a household, capped at 50% of monthly household income.	RBC Directions 2025, Sec G – Limit on Loan Repayment Obligations (verify para) [ex-MD 2022, 5.1–5.4]		Confirm Board-approved Indebtedness / FOIR policy referencing the 50% cap across all lenders. Attach BR.
4	Board-approved pricing policy: documented interest-rate model, components, spread range, and a ceiling on interest and all charges.	RBC Directions 2025, Sec G – Pricing (verify para) [ex-MD 2022, 6.1]		Confirm current Board-approved Pricing/Interest-Rate Policy with stated ceiling and last review date.
5	Board-approved policy providing flexibility of repayment periodicity per borrower requirement.	NBFC-MFI Directions 2025 / RBC Directions 2025 (verify para) [ex-MD 2022, 3.4]		Confirm repayment-flexibility is captured in product/credit policy.
6	Board-approved policy on conduct of employees (recruitment, training, monitoring, minimum qualifications); conduct reflected in the compensation matrix.	RBC Directions 2025, para 86 [ex-MD 2022, 7.2.1]		Confirm Staff Code of Conduct policy and that conduct is a parameter in the incentive/appraisal structure.
7	Board-approved Penal Charges policy: penalty levied as 'penal charges' (not 'penal interest'), no capitalisation, reasonable and non-discriminatory.	RBC Directions 2025 – Penal Charges (verify para); originally RBI Penal Charges circular, 18 Aug 2023		Now consolidated into RBC Directions 2025. Confirm a standalone policy and that overdue-penalty fields in LMS/loan card align to it.
8	Board-approved standard form of loan agreement for microfinance loans, in a language understood by the borrower.	RBC Directions 2025, para 77 [ex-MD 2022, 7.1.2]		Standard loan agreement in use. Re-confirm Board approval of the current version is minuted.
9	Membership of at least one RBI-recognised SRO (MFIN / Sa-Dhan) and adherence to the SRO Code of Conduct.	NBFC-MFI Directions 2025, para 46		Confirm current SRO membership and that the SRO Code of Conduct is operationally adopted. Last COCA: Infomerics, grade C2, Feb 2026.
10	Compliance responsibility assigned to designated individuals; internal control, audit and periodic inspection systems established.	NBFC-MFI Directions 2025, para 48; SBR governance framework		Confirm a Compliance Officer is designated separately from the MD and reports to the Audit Committee. Record designation in compliance file.
PART B — Loan Application, Appraisal, Income Assessment & Sanction				
#	Fair Practices Code — Requirement	Regulatory Source (current instrument [ex-MD 2022])	Status	Remarks / Evidence on File
11	All communications to the borrower are in a language understood by the borrower.	RBC Directions 2025, paras 76 & 79 [ex-MD 2022, 7.1.1 & 7.1.4]		Manipuri (Manipur), Assamese (Assam), Bengali (Tripura).
12	Loan application form captures information that materially affects the borrower's interest and lists documents required.	RBC Directions 2025 – General FPC (verify para)		In use. Retain a current specimen application form.

13	System of acknowledgement for receipt of all loan applications, indicating an indicative disposal time-frame.	RBC Directions 2025 – conduct (verify para)		Acknowledgement issued at receipt. Disposal communicated within 15 days.
14	Household income assessed before sanction; assessed income reported to all CICs, with divergence reasons recorded.	RBC Directions 2025, Sec G – Assessment of Household Income (verify para) [ex-MD 2022, 4.1 & 4.3]		Confirm income-assessment worksheet on each file and CIC upload of assessed income.
15	Pre-sanction indebtedness check: aggregate monthly repayment outflow (all lenders, all loan types) does not exceed 50% of monthly household income.	RBC Directions 2025, Sec G – Limit on Loan Repayment Obligations (verify para) [ex-MD 2022, 5.1–5.4]		Confirm CIC pull + borrower declaration + local enquiry on each file and that the LMS evidences the 50% test.
16	SRO guardrails at underwriting: not more than 3 lenders per borrower; total microfinance indebtedness within the ₹2,00,000 cap; no fresh lending to borrowers delinquent beyond ₹3,000 for 60+ days.	MFIN / Sa-Dhan CRL & Code of Conduct (guardrails eff. 01 Apr 2025); NBFC-MFI Directions 2025, para 46		Confirm the LMS / credit-bureau checks enforce all three at sanction.
17	Microfinance loan kept collateral-free — no lien marked on any deposit account of the borrower.	NBFC-MFI Directions 2025 – definition; RBC Directions 2025 (verify para) [ex-MD 2022, 3.3]		Loans collateral-free; no Security Deposit / Margin collected. Confirm no borrower-deposit lien linkage.
18	Terms conveyed in writing in a language understood by the borrower — amount, annualised rate and method, and all terms; borrower's acceptance on record.	RBC Directions 2025 – loan appraisal/terms (verify para) [ex-MD 2022, 7.1]		Sanction terms communicated and borrower acceptance retained.
19	Sanction and disbursement carried out only at a central/designated location, involving more than one individual, with close supervision.	RBC Directions 2025 / NBFC-MFI Directions 2025 (verify para)		Centralised sanction/disbursement maintained. Retain disbursement-authorisation records.

PART C — Pricing & Disclosure

#	Fair Practices Code — Requirement	Regulatory Source (current instrument [ex-MD 2022])	Status	Remarks / Evidence on File
20	Standardised Key Facts Statement (KFS) / factsheet provided to every prospective borrower; all fees disclosed; no amount charged that is not in the KFS.	RBC Directions 2025 – KFS (verify para); originally KFS circular 15 Apr 2024 & MD 2022, 6A / Annex IA		KFS/factsheet issued. Confirm format matches the current Annex and that nothing outside it is charged. KFS now carries a unique proposal number, validity period and APR computation sheet.
21	Interest rate and all other charges/fees are not usurious (subject to RBI supervisory scrutiny).	RBC Directions 2025, Sec G – Pricing (verify para) [ex-MD 2022, 6.2]		Confirm current effective rates against Board pricing-policy ceiling and SRO-published district ranges.
22	No pre-payment penalty. Penalty for delayed payment, if any, applied only on the overdue amount.	RBC Directions 2025, para 81 [ex-MD 2022, 6.6]; RBI (Pre-payment Charges on Loans) Directions, 2025		Confirm LMS computes any delayed-payment penalty on overdue amount only, and prepayment carries no penalty.
23	Any penalty is levied as 'penal charges' (not penal interest), not capitalised, disclosed in the loan agreement, KFS and on the website; reminders state penal charges; each levy communicated.	RBC Directions 2025 – Penal Charges (verify para); originally Penal Charges circular 18 Aug 2023		Confirm disclosure in all three places, reminder content, and per-instance communication.
24	Minimum, maximum and average interest rates displayed in all offices, in literature and on the website; included in supervisory returns.	RBC Directions 2025 (verify para, ~82) [ex-MD 2022, 6.7]		Confirm current display at every branch and on the website, and reporting in the supervisory return.
25	Any change in interest rate or charge informed to the borrower in advance and made effective only prospectively.	RBC Directions 2025 (verify para, ~83) [ex-MD 2022, 6.8]		Changes applied prospectively. Retain specimen change-intimation.

26	Effective/annualised rate (APR) disclosed; APR computation discipline maintained.	RBC Directions 2025 – KFS/APR (verify para); KFS circular 15 Apr 2024 [ex-MD 2022, 6A.4]		Effective annualised rate shown (IRR / reducing-balance). Retain APR computation basis.
PART D — Loan Agreement & Loan Card Disclosures				
#	Fair Practices Code — Requirement	Regulatory Source (current instrument [ex-MD 2022])	Status	Remarks / Evidence on File
27	Loan card provided carrying: borrower-identifying information; simplified factsheet/KFS on pricing; all other T&C; acknowledgement of all repayments and final discharge; grievance-redressal details incl. nodal officer name & contact.	RBC Directions 2025, para 78 [ex-MD 2022, 7.1.3]		Loan card in use; receipts entered as repayment acknowledgement. Confirm all five elements (esp. factsheet + nodal officer).
28	All entries in the loan card are in a language understood by the borrower.	RBC Directions 2025, para 79 [ex-MD 2022, 7.1.4]		Old checklist noted amount/date/receipt-no. entries in English. Document the position or move to bilingual entries.
29	Non-credit products issued only with full consent; fee structure communicated in the loan card itself.	RBC Directions 2025, para 80 [ex-MD 2022, 7.1.5]		Confirm consent capture and fee disclosure for any non-credit product (e.g., insurance).
30	Accountability declaration — that the NBFC is accountable for inappropriate behaviour by its employees or any outsourced agency and will provide timely grievance redressal — in the loan agreement and the displayed FPC.	RBC Directions 2025 – Outsourcing responsibility (verify para); RBI (NBFC – Managing Risks in Outsourcing) Directions 2025 [ex-MD 2022, 7.3.2]		Confirm this declaration is in the current loan agreement and displayed FPC.
31	Assurance that the privacy of borrower data will be respected is included in the loan agreement.	RBC Directions 2025 – conduct (verify para) / loan agreement [ex-MD 2022, 7.1]		Retain the relevant agreement clause.
PART E — Conduct of Staff & Outsourcing				
#	Fair Practices Code — Requirement	Regulatory Source (current instrument [ex-MD 2022])	Status	Remarks / Evidence on File
32	Field staff trained to enquire about the income and existing debt of the household.	RBC Directions 2025, para 87 [ex-MD 2022, 7.2.2]		Part of staff training. Retain training records / module.
33	Any training offered to borrowers is free of cost.	RBC Directions 2025, para 88 [ex-MD 2022, 7.2.3]		Confirm no borrower-training fee is charged.
34	Outsourcing of any activity does not diminish the NBFC's obligations; onus of compliance rests solely with YVU.	RBI (NBFC – Managing Risks in Outsourcing) Directions 2025; RBC Directions 2025 [ex-MD 2022, 7.3.1]		Applies to recovery, software and BC/LSP arrangements. Retain outsourcing-oversight evidence.
PART F — Recovery of Loans (Non-Coercive Methods)				
#	Fair Practices Code — Requirement	Regulatory Source (current instrument [ex-MD 2022])	Status	Remarks / Evidence on File
35	Mechanism to identify borrowers facing repayment difficulties, engage with them, and provide guidance on recourse.	RBC Directions 2025, para 89 [ex-MD 2022, 7.4.1]		Confirm a documented distressed-borrower engagement SOP (relevant given post-crisis portfolio stress).
36	Recovery normally at a designated/central place mutually decided; field recovery at residence/workplace only after two or more successive no-shows.	RBC Directions 2025, para 90 [ex-MD 2022, 7.4.2]		Monitored by management. Retain exception logs evidencing the 'two successive occasions' trigger.

37	No harsh recovery methods: threatening/abusive language; persistent calling or calling before 9:00 a.m. or after 6:00 p.m.; harassing relatives/friends/co-workers; publishing names; violence; misleading the borrower.	RBC Directions 2025, para 91 [ex-MD 2022, 7.4.3]		Confirm the 9 a.m.–6 p.m. call window and the other prohibitions are written into the staff code and monitored.
38	Dedicated mechanism for redressal of recovery-related grievances; its details given to the borrower at disbursal.	RBC Directions 2025 (verify para, ~92) [ex-MD 2022, 7.4.4]		Confirm a recovery-grievance channel is communicated at disbursal (e.g., on loan card / disbursal slip).
39	Recovery agents engaged only after due diligence incl. police verification; agent carries notice, authorisation letter and ID; up-to-date list of agencies hosted on the website.	RBC Directions 2025 – Engagement of Recovery Agents (verify para, ~93–95) [ex-MD 2022, 7.5]		YVU uses only its own employees for recovery; no outsourced agents. State this; if any agent is engaged, these controls apply.
40	Decision to recall / accelerate, and any change in terms, in consonance with the loan agreement and effected only prospectively.	RBC Directions 2025 – General FPC (verify para)		Retain agreement clause and any recall notice.
41	Securities released on repayment / realisation of dues, subject to any legitimate right of set-off (with notice if set-off is exercised).	RBC Directions 2025 – General FPC (verify para)		Microfinance loans are collateral-free; relevant only to any secured / non-microfinance exposure.

PART G — Grievance Redressal

#	Fair Practices Code — Requirement	Regulatory Source (current instrument [ex-MD 2022])	Status	Remarks / Evidence on File
42	Board has laid down a grievance-redressal mechanism ensuring disputes are heard and disposed of at least at the next higher level.	RBC Directions 2025 – Grievance Redressal (verify para); originally general FPC		Mechanism published on the website. Retain the Board-approved grievance policy.
43	Name and contact details of the Grievance Redressal Officer displayed prominently at every branch and HO, and on the website.	RBC Directions 2025, para 78(5) & Grievance Redressal (verify para) [ex-MD 2022, 7.1.3]		Flex boards at all branches and HO; also on website.
44	Escalation: if not redressed within one month, the customer may approach the RBI Ombudsman under RB-IOS 2021; salient features and Principal Nodal Officer displayed.	RB-IOS, 2021 (replaces the old 'DNBS Regional Office' escalation); RBC Directions 2025 – Grievance Redressal (verify para)		CORRECTION carried from v1: update flex boards/website from 'DNBS Regional Office' to RB-IOS + CMS portal (cms.rbi.org.in); designate a Principal Nodal Officer.
45	Internal Ombudsman mechanism.	RBI (Internal Ombudsman for Regulated Entities) Directions, 2023		Not applicable — YVU is below the applicability threshold (NBFCs with asset size ≥ ₹5,000 crore and a public customer interface). Recorded as considered.

PART H — Display, Language & Transparency

#	Fair Practices Code — Requirement	Regulatory Source (current instrument [ex-MD 2022])	Status	Remarks / Evidence on File
46	FPC displayed in all offices and on the website, in a language understood by the borrower.	RBC Directions 2025, para 76 [ex-MD 2022, 7.1.1]		Displayed at premises; available at www.yvumf.com.
47	A statement of commitment to transparency and fair lending displayed in premises and in loan cards.	RBC Directions 2025 – conduct (verify para)		Confirm the commitment statement is on current flex boards and loan cards.
48	Effective interest rate and the grievance-redressal system displayed in all offices, in literature and on the website.	RBC Directions 2025, paras 76 & 85 (verify) [ex-MD 2022, 6.7 & 7]		Cross-refer item 24.

49	KYC complied with; due diligence to assess borrowers' repayment capacity.	RBI KYC Directions (consolidated 2025); RBC Directions 2025 – Assessment of Household Income (verify para)		KYC + repayment-capacity assessment on file. Cross-refer items 14–15.
PART I — Board Oversight & Periodic Review				
#	Fair Practices Code — Requirement	Regulatory Source (current instrument [ex-MD 2022])	Status	Remarks / Evidence on File
50	Board conducts a periodic review of FPC compliance and of the functioning of the grievance-redressal mechanism.	RBC Directions 2025 – Board oversight / Grievance review (verify para); general FPC		Board reviews FPC quarterly; GRC reviews grievance functioning quarterly.
51	A consolidated report of such reviews is submitted to the Board at prescribed intervals.	RBC Directions 2025 – Board oversight (verify para)		Submitted quarterly. This report is that instrument.
52	Periodic Code of Conduct Assessment (COCA) undertaken through the SRO framework; grade/observations placed before the Board.	SRO Code of Conduct; MFIN/Sa-Dhan COCA framework; NBFC-MFI Directions 2025, para 46		Last COCA: Infomerics, grade C2, Feb 2026. Place report and action-taken note before the Board.

5. Compliance Officer's certification

I confirm that the compliance position recorded above has been reviewed against the instruments listed in Section 3, that the supporting evidence for each item marked "Complied" is held on the compliance file, and that the items marked "To verify" have been brought to the Board's attention with the action proposed.

Compliance Officer

Name:

Date:

Managing Director

Bikendrajit Akoijam

Date:

- **Annexure B — Mandatory Display Schedule.** What is displayed, where (Head Office, each branch, website, literature) and in which language: this Code, the commitment statement, the minimum/maximum/average rate card, the Nodal and Principal Nodal Officer details, the RB-IOs salient features and the recovery-grievance contact.



YVU Financial Services Pvt. Ltd

Head Office

HO & RO : Waiview Bhavan, Thoubal Wangmataba, Thoubal, Manipur - 795138

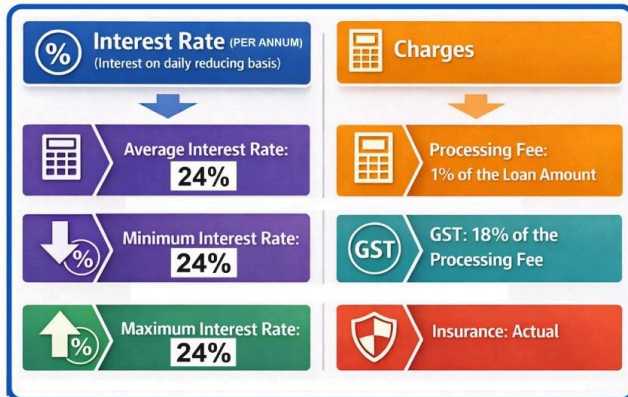
Comprehensive Notice Board

Updated upto ...16.01.2026...



Office Hours

9:30 AM to 5:00 PM
Monday to Saturday



For more information, please visit: www.yvumf.com

GRIEVANCE REDRESSAL MECHANISM (GRM)

Know the steps to resolve your complaints

STEP 1: CONTACT OUR BRANCH



- Visit & Register complaint with our Branch Office
- Call Our Branch (+91 3848319219)
- Visit GRM Portal at grm.yvumf.com

Any complaint/suggestion received by the Company shall be recorded in the Complaint/Suggestion register

STEP 2: If Response is Unsatisfactory (after 7 days)



- Contact Principal Nodal Officer Of YVU Financial:
PNO's Name: Akojam Jagadish
E mail: yvufinancial@gmail.com
Phone: +91 7005846675

STEP 3: If your complaint is still not resolved (after 15 days)



You may contact the applicable SRO:
Sa-Dhan: 1800-425-0205

The customer is not required to approach the SRO before approaching RBI. The SRO mechanism is an additional support mechanism available to microfinance borrowers.

STEP 4: RBI – CMS PORTAL (after 30 days)



If your complaint isn't resolved after 30 days, you may file it with the RBI Ombudsman Portal at:

- File complaint on RBI CMS
<https://cms.rbi.org.in>

IMPORTANT NOTES:

- ✓ RBI is not the first point of contact
- ✓ Complaints must be documented

- **Annexure C — Key Facts Statement format.** The standardised KFS, with the Annual Percentage Rate computation sheet and the amortisation schedule.

 YVU Financial Services Private Limited				
Loan Account No:		Date:		
Branch Name:				
Member Name:				
Co-Borrower Name:				
Group Name :				
<u>Key Facts Statement</u>				
Annexure-A				
Part 1 (Interest rate and fees/charges)				
1	Loan proposal/ account No :		Loan Type:	
2	Sanctioned Loan amount (in Rupees)			
3	Disbursal schedule			
(i)	Disbursement in stages or 100% upfront			100%
(ii)	If it is stage wise, mention the clause of loan			NA
4	Loan term (in month)			.....
5	Instalment details			
	Type of instalments	Number of EPIs	EPI (₹)	Commencement of repayment, post sanction
				
6	Interest rate (%) and type (fixed)			
7	Fee/ Charges⁴			
	Payable to the RE (A)		Payable to a third party through RE (B)	
	One-time/ Recurring	Amount (in ₹) or Percentage (%) as applicable ⁵	Onetime/Recurring	Amount (in ₹) or Percentage (%) as applicable
	Processing fees	One Time		
	Insurance charges		One Time	
	Valuation fees			
	Any other (please specify			
9	Annual Percentage Rate (APR) (%) ⁶			.....
10	Details of Contingent Charges (in ₹ or %, as applicable)			
i)	Penal charges, if any, in case of delayed payment (2% of the overdue amount on monthly basis)			2.00%
ii)	Other penal charges, if any			NA
iii)	Foreclosure charges, if applicable			NA
iv)	Charges for switching of loans from floating to fixed rate and vice versa			NA
v)	Any other charges (please specify)			NA
Part 2 (Other qualitative information)				
1	Clause of Loan agreement relating to engagement of recovery agents			NA
2	Clause of Loan agreement which details grievance redressal mechanism			Yes
3	Phone number and email id of the nodal grievance redressal officer ⁷			+ 91 7005846675 yvufinancial@gmail.com
4	Whether the loan is, or in future maybe, subject to transfer to other REs or securitisation (Yes/ No)			No
5	In case of lending under collaborative lending arrangements (e.g., co-lending/ outsourcing), following additional details may be furnished:			
	Name of the originating RE, along with its funding proportion	Name of the partner RE along with its proportion of funding	Blended rate of interest	
	NA	NA	NA	
6	In case of digital loans, following specific disclosures may be furnished:			
i)	Cooling off/look-up period, in terms of RE's board approved policy, during which borrower shall not be charged any penalty on prepayment of loan			NA
ii)	Details of LSP acting as recovery agent and authorized to approach the borrower			NA
For YVU Financial Private Limited (Authorised Signatory)				

Illustration for Computation of APR for retail and MSME Loans

Sl. No	Parameter	Details	Remarks
1	Sanctioned Loan Amount (in Rs) (Sl No.2 of KFS Template – Part 1, Annexure A)	.....	From loan sanction amount in Annexure-A
2	Loan Term (In years/months/days) (Sl. No.4 of KFS Template Part 1, Annexure A)	.....	Loan tenure mentioned in Annexure A
a)	No. of instalments for payment of principal, in case of none equated periodic loans	.....	It is an EMI based Loan
b)	Type of EPI	.....	EPI is the EMI in this case. EMI is Rs...../- as depicted from Annexure C (instalment Amount)"
	Amount of each EPI in Rupees	.....	
	No. of EPI (Eg. No. of EMIs in case of monthly instalments)	.....	Loan tenure of
c)	No. of instalments for payment of Capitalized interest, if any	.....	Not applicable for this loan
d)	Commencement of repayment, post sanction (sl.no. 5 of KFS template Part 1, Annexure A)	.....	Since Monthly repayment and 30 days moratorium in this case considering disbursement is done date
3	Interest rate type (Fixed, Floating or Hybrid) (Sl.no.6 of the KFS Template Part 1, Annexure A)	.....	Rate of Interest is fixed for the total tenure of
4	Rate of interest (Sl.no.6 of KFS Template Part 1, Annexure A)	.....	Rate of Interest is 25.5% per annum
5	Total interest amount to be charged during the entire tenure as per the rate prevailing on sanction date (in rupees)	.....	Total of interest amount from repayment schedule of the mentioned in Annexure C (Repayment Schedule)
6	Fee/Charges payable (in rupees)	.....	
A	Payable to RE (Sl.no.7A of the KFS Template Part 1, Annexure A)	.....	Processing fee of 1%
B	Payable to third party routed through RS (Sl.no.7A of the KFS Template Part 1, Annexure A)	.....	GST @ 18% p.a. on processing fee collected to be paid to Govt.of India
C	Payable to third party routed through RS (Sl.no. 7B of the KFS Template Part 1, Annexure A)	.....	Insurance premium mentioned in (Sl.no.7B (ii) of the KFS Template Part 1, Annexure A) to be paid to Insurance provider
7	Net Disbursed Amount (1-6) (in rupees)	.....	After deducting insurance premium, processing fee and GST
8	Total amount to be paid by borrower (Sum of 1 and 5) (in rupees)	.....	As per repayment schedule mentioned in Annexure C
9	Annual Percentage Rate – Effective annualized interest rate (in percentage) (sl.no.9 of the KFS Template Part 1, Annexure A)	.....	As per the calculation in Excel Sheet
10	Schedule of disbursement as per term and condition	Detailed Schedule to be provided	
11	Due date of payment of instalment and interest	.....	As in (Sl.no.5 of the KFS Template Part 1, Annexure A)
*** The points 5,8,9 and 11 mentioned above against the columns are tentative and vary as per the actual date of disbursement of the loan.***			

- **Annexure D — Loan Card contents checklist.** The fields the loan card must carry under Chapter 11**Annexure E — Recovery Conduct ready-reckoner.** A field card setting out the prohibited practices in clause 13.3, the place-and-time rules, and the recovery-grievance contact.

চলন পথাপত্তগী লৌখোকপা শরনক খরা

- ১। লোন শিংবা লৌখোকপাওবা লোন পাসবুক মাংহন্দনা থম্মীগদবনি। লোনগী শেফম শোইবা তৌদনা শিংবীগদবনি।
- ২। লোন শিংবা মতমদা ওখোরাইজ তৌরবা মীওইখন্দা অমদি ওফিসিএল রিসিগ ফংলবা তুংদা খন্ডা শেল পিবিয়ু।
- ৩। ওখোরাইজ তৌদবা অমদি ওফিসিএল রিসিগ যাওদনা শেল পিখিবা থোকুবদি পিরিবা মশাগী দায়িত্তনি অমদি ওফিসনা শেফম অদুগী দায়িত্তা লৌরোই।
- ৪। লোন শিংবগী রিসিগ লোন শিংবা লৌখোকপা ফাওবা মাংহন্দনা থম্মীগদবনি। বাকৎ লৈরগদি রিসিগ যাওবীরকদবনি।
- ৫। লোন শিংখিবা শেফম অদুমক লোন পাসবুক তা শেল পিদিউ মমাংদা ওফিসিএল অদুদা ইশিহহল্লমগদবনি।
- ৬। শিংখিবা শেফপক্ষী শেফদাই লৌরোই। মাংজৌননা লোন পুয়া শিংদোকপগী চার্জেস অমত্তা লৌদে।
- ৭। লোনগী এগ্গিমেন্ট অমদি KFS তা পনদবা অট্ট অতোপ্পা চার্জেস অমত্তা লৌদে।

পাউতাক অমদি বাকৎকী নম্বর :

ব্রাঞ্চ মেনেজরগী মমিং :-	Principal Nodal Officer of YVU Financial Services Pvt. Ltd.	SADHAN(SRO)	RBI CMS:
মোবাইল নম্বর :-	E mail: yvufinancial@gmail.com Phone: +91 7005846675	1800-425-0205	If your complaint isn't resolved after 30 days, you may file it with the RBI Ombudsman Portal at: cms.rbi.org.in

- **Annexure F — Training Register.** Date, programme, trainer, attendees and coverage of training imparted under Chapter 17.

SL	Date of Training	Topic	Participant	Remarks

- **Annexure G — Breach and Consequence Register.** Date, nature and severity of the breach, borrower impact, investigation outcome, consequence applied, and any reversal or refund.

Maintained under Chapter 18 of the Fair Practices Code.

Custodian: Compliance Officer.

Sl. No.	Date of Breach	Branch	Nature of Breach (with FPC clause)	Severity	Borrower Impact	Investigation Outcome	Consequence Applied	Reversal / Refund

Notes

- **Severity** is Minor / Moderate / Major / Critical, per clause 18.2.
- **Reversal / Refund** records the amount and date, or "N/A".
- The Register is placed before the Board through the quarterly FPC Compliance Report. Major and Critical breaches are reported without waiting for the cycle.