

Indira In Fin Lease Limited

Penal Charges Policy

*Reviewed and updated by the Board at its meeting held on March 10, 2026.

1. INTRODUCTION

Indira In Fin Lease Limited (the “Company”), is registered with the Reserve Bank of India (RBI) as Non-Banking Financial Company not accepting public deposits and in accordance with the Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 (hereinafter referred as RBI Scale Based Framework) has been classified as Non-Banking Financial Company not accepting public deposit-Investment and Credit Company-Middle Layer (NBFC-ND-ICC-BL).

2. PURPOSE

The Reserve Bank of India has issued the Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025 (“RBI Directions”), inter alia, prescribing guidelines relating to Fair Lending Practices, Penal Charges in Loan Accounts and other customer conduct related matters applicable to NBFCs.

Accordingly, this Policy has been formulated to lay down the governing principles and framework for levy of penal charges by the Company. The objective of levying penal charges is to promote and encourage credit discipline in the conduct of loan accounts and such charges shall not be used as a revenue enhancement mechanism over and above the contracted rate of interest.

3. APPLICABILITY

This Policy shall apply to all credit facilities and loan products offered by Anupam Finserv Limited.

However, this Policy shall not apply to:

- Credit Cards;
- External Commercial Borrowings (ECBs);
- Trade Credits (Rupee / Foreign Currency Export Credit);
- Structured Obligations; and
- Other foreign currency loans,

which are governed by separate product specific regulatory directions.

4. EFFECTIVE DATE AND TRANSITION

This Policy shall come into effect from April [●], 2026 or such other date as may be approved by the Board and notified by applicable regulatory directions.

- For all fresh loans and credit facilities sanctioned or renewed on or after the effective date, penal charges shall be governed by this Policy.

- In case of existing loans sanctioned prior to the effective date, the transition to the revised penal charges regime shall be implemented on the next review, renewal, revalidation, enhancement or such other similar event, or within such timeline as prescribed by the applicable RBI Directions, whichever is earlier.

5. POLICY ON PENAL CHARGES

- A. The Company shall levy only “Penal Charges” for non-compliance of material terms and conditions of loan contracts and shall not levy “Penal Interest” by whatever name called.
- B. Penal charges shall not be added to the applicable rate of interest charged on the loan facilities.
- C. There shall be no capitalization of penal charges, i.e., no further interest shall be computed or charged on such penal charges.
- D. However, the normal procedures for compounding of interest in the loan account shall continue to apply. Interest on unpaid interest and/or unpaid EMI may continue to accrue at the contracted rate of interest till the date of remediation and not at any penal rate of interest.
- E. Penal charges shall be reasonable and commensurate with the nature and extent of non-compliance of material terms and conditions of the loan contract.
- F. Penal charges shall be levied in a non-discriminatory manner within a particular loan/product category.
- G. Penal charges applicable to individual borrowers for purposes other than business shall not be higher than the penal charges applicable to non-individual borrowers for similar non-compliance of material terms and conditions.
- H. Penal charges, where applicable, shall be levied only on the amount under default and not on the entire outstanding loan amount.
- I. Additional or fresh penal charges shall not be levied on earlier outstanding penal charges.
- J. The Company shall not introduce any additional component to the rate of interest under the guise of penal charges.
- K. Applicable taxes, including Goods and Services Tax (GST), shall be levied on penal charges wherever applicable in accordance with prevailing laws and regulatory directions.
- L. The quantum, methodology and applicability of penal charges may vary depending upon:
 - nature of loan product;
 - borrower category;
 - amount and tenure of loan;
 - risk profile;
 - severity and duration of default/non-compliance; and
 - such other factors as may be considered appropriate by the Company.
- M. The schedule of penal charges applicable to various loan products shall be approved by the competent authority/Board from time to time and hosted on the website of the Company under the section relating to Interest Rates and Service Charges.

6. DISCLOSURE AND COMMUNICATION

- a) The quantum and reason for penal charges shall be clearly disclosed upfront to borrowers in:
 - Sanction Letter;
 - Loan Agreement;
 - Key Fact Statement (KFS), wherever applicable;
 - Most Important Terms and Conditions (MITC); and
 - any other relevant loan documentation.
- b) Whenever reminders for non-compliance of material terms and conditions are sent to borrowers, the applicable penal charges shall also be communicated.
- c) Any levy of penal charges and the specific reason thereof shall be separately communicated to the borrower through appropriate communication channels.
- d) Any material revision in the penal charges framework shall be communicated to borrowers and updated on the Company's website in accordance with applicable regulatory requirements.

7. WAIVER/RELAXATION OF PENAL CHARGES

The Company may, at its discretion and subject to internal approvals, consider waiver or reduction of penal charges in genuine cases based on merits of the case and in accordance with internal guidelines.

While considering such waiver or relaxation, the Company may consider factors including:

- financial condition of the borrower;
- conduct of the loan account;
- nature and reason for default;
- temporary operational or business disruptions;
- security available;
- recovery prospects; and
- any other relevant factor considered appropriate by the Company.

8. REVIEW AND AMENDMENT

This Policy shall be reviewed periodically by the Board of Directors of the Company or such authority as may be delegated by the Board, at least once in a financial year or as may be required pursuant to changes in regulatory requirements, business practices or operational considerations.

The Company reserves the right to amend, modify or withdraw any provision of this Policy in accordance with applicable laws and internal approvals.

9. LIMITATION AND REGULATORY OVERRIDE

In the event of any inconsistency between this Policy and any applicable law, rules, regulations, circulars, directions, notifications or guidelines issued by the Reserve Bank of India or any statutory/regulatory authority, the applicable regulatory provisions shall prevail to the extent of such inconsistency.