QUBIK FINSERV PRIVATE LIMITED

Formerly known as Flute Developers Pvt Ltd
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FAIR PRACTICES CODE
QUBIK FINSERV PRIVATE LIMITED
CIN: U65100DL1996PTC412829

Version 1.0

Effective Date: 1 June 2026

Approved by the Board of Directors on: 18 May 2026

1. PREAMBLE

Qubik Finserv Private Limited ("Qubik" or the "Company") is a Non-Banking Financial Company ("NBFC") registered with the Reserve Bank of India and classified as a Base Layer NBFC. The Company is engaged in providing financial assistance primarily to Micro, Small and Medium Enterprises ("MSMEs"), Small and Medium Enterprises ("SMEs")-LAP, Personal Loan, Business Loan (secured & unsecured), Vehicle Loan etc. and to other eligible borrowers.

This Fair Practices Code ("FPC" or "Code") has been adopted pursuant to the guidelines and directions issued by the Reserve Bank of India from time to time, including the Master Direction -Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions 2023, applicable Fair Practices Code guidelines, Key Facts Statement guidelines, directions relating to penal charges, charging of interest, release of movable and immovable property documents, Integrated Ombudsman Scheme, 2021 and other applicable regulatory instructions.

The objective of this Code is to ensure transparency, fairness, ethical conduct, responsible lending and protection of customer interests in all dealings of the Company.

2. OBJECTIVES

The objectives of this Code are:

(a) To ensure fair and transparent dealings with borrowers;

(b) To provide borrowers with adequate information to make informed decisions;

(c) To establish standards of responsible lending and customer service;

(d) To promote good governance and ethical business conduct;

(e) To provide an effective grievance redressal mechanism; and

(f) To ensure compliance with applicable RBI regulations and directions.

3. APPLICABILITY

This Code shall apply to all lending products and services offered by the Company and shall cover:

(i) Loan applications and processing;

(ii) Loan appraisal and sanction;

(iii) Key Facts Statement;

(iv) Loan documentation;

(v) Disbursement of loans;

(vi) Interest rates and charges;

(vii) Penal charges;

(viii) Recovery and collection practices;

(ix) Release of security and title documents;

(x) Customer communication;

(xi) Grievance redressal mechanism; and

(xii) General customer protection measures.

4. LOAN APPLICATIONS AND PROCESSING

4.1 All communications with borrowers shall be in English or in a language understood by the borrower.

4.2 Loan application forms shall include all material information necessary for a borrower to make an informed decision, including applicable fees, charges, interest rates and documentation requirements.

4.3 The Company shall acknowledge receipt of loan applications through physical or electronic means.

4.4 The Company may seek additional information, documents, clarifications and declarations as may be necessary for assessment of creditworthiness and regulatory compliance.

4.5 Loan applications shall be evaluated based on the Company's risk assessment framework, regulatory requirements and internal underwriting standards

5. LOAN APPRAISAL AND SANCTION

5.1 Loan proposals shall be assessed based on financial position, repayment capacity, business profile, credit history, cash flows, security coverage and other relevant factors.

5.2 Upon sanction of a loan, the Company shall communicate the sanction in writing through a sanction letter or other legally acceptable mode.

5.3 The sanction communication shall contain, among other things:

(a) Amount sanctioned;

(b) Purpose of loan;

(c) Tenure;

(d) Rate of interest;

(e) Repayment schedule;

(f) Security details;

(g) Fees and charges;

(h) Penal charges;

(i) Margin

(j) Conditions precedent to disbursement; and

(k) Other material terms and conditions.

5.4 Acceptance of the sanction terms by the borrower shall be obtained and retained by the Company.

5.5 The Company shall provide a copy of the executed loan agreement and relevant documents to the borrower through physical or electronic mode.

6. KEY FACTS STATEMENT (KFS)

The Company shall provide a Key Facts Statement wherever required under RBI directions and shall ensure that all material information including annual percentage rate, charges, repayment obligations and borrower liabilities are disclosed in a simple, transparent and standardized format.

7. INTEREST RATE POLICY

7.1 The Board of Directors shall approve an Interest Rate Policy governing determination of interest rates.

7.2 Interest rates shall be determined based on factors including cost of funds, operating expenses, risk profile, business segment, credit assessment, tenor and market conditions.

7.3 Different rates may be charged to different categories of borrowers depending upon the assessed risk profile.

7.4 The rationale for charging different rates shall be transparent and based on objective criteria.

7.5 Interest rates shall be disclosed on an annualized basis.

7.6 The Company shall not charge interest in a manner inconsistent with RBI directions issued from time to time.

7.7 The Company shall ensure that lending decisions are based on transparent and objective credit assessment criteria and shall not adopt unfair or misleading practices while offering financial products and services.

8. DISBURSEMENT OF LOANS

8.1 Loans shall be disbursed after fulfillment of all conditions specified in the sanction terms and execution of requisite documentation.

8.2 The Company shall communicate disbursement conditions and timelines to borrowers.

8.3 Any change in terms and conditions including interest rates, charges, repayment schedule or security requirements shall be communicated to the borrower.

8.4 Changes affecting individual borrowers shall be communicated individually and shall ordinarily be implemented prospectively.

9. PENAL CHARGES

9.1 Penal charges, if imposed, shall be reasonable and proportionate to the nature of default or non-compliance.

9.2 Penal charges shall not be used as a means of enhancing yield or disguised interest.

9.3 Penal charges shall not be capitalized.

9.4 The quantum and basis of penal charges shall be disclosed in the sanction letter, loan agreement and Key Facts Statement.

9.5 The Company shall comply with RBI directions on penal charges as amended from time to time.

10. GUARANTORS

10.1 Where a person proposes to act as guarantor for a credit facility, the Company shall provide information regarding:

(a) Liability of the guarantor;

(b) Extent of liability undertaken;

(c) Circumstances under which the guarantee may be invoked;

(d) Conditions for discharge of the guarantee; and

(e) Any material changes affecting the credit facility that may impact the guarantor.

10.2 The Company may inform guarantors regarding material adverse developments affecting the borrower's repayment capability, subject to contractual and legal requirements.

10.3 Upon request of the guarantor, the Company may provide information relating to the status of the credit facility and material defaults by the borrower, subject to applicable laws and contractual arrangements.

11. POST-DISBURSEMENT MONITORING

11.1 The Company may monitor utilization of loan proceeds, business performance, financial position and compliance with loan covenants.

11.2 Monitoring activities shall be conducted in accordance with the terms of the loan agreement and applicable laws.

11.3 The Company may seek periodic financial information, statements, certifications or other information necessary for monitoring credit exposure.

11.4 Any decision to recall, accelerate or restructure a loan facility shall be in accordance with the contractual terms and applicable regulations.

12. RECOVERY AND COLLECTION PRACTICES

12.1 The Company shall adopt fair, lawful and non-coercive recovery practices.

12.2 Recovery efforts shall be conducted with courtesy, professionalism and respect for borrower dignity.

12.3 The Company shall not resort to intimidation, harassment, physical force, verbal abuse or any unfair collection practices.

12.4 Recovery personnel and authorized agents shall:

(a) Properly identify themselves;

(b) Carry authorization documents;

(c) Respect borrower privacy;

(d) Conduct interactions in a professional manner; and

(e) Comply with applicable regulatory requirements.

12.5 Borrowers shall ordinarily be contacted at reasonable times and locations unless otherwise agreed.

12.6 Recovery activities shall be undertaken strictly within the legal framework and in accordance with RBI guidelines.

12.7 Where repossession of security is contractually permitted, the Company shall follow due process and provide notices as required under applicable agreements and laws.

12.8 The Company, its employees, recovery personnel and recovery agents shall not contact Borrowers, Co-Borrowers, Guarantors or any third party in a manner inconsistent with applicable RBI guidelines. Disclosure of loan information to family members, relatives, friends, employers or other third parties shall be made only where legally permissible, contractually authorized or required for recovery and enforcement purposes in accordance with applicable laws and regulatory directions.

12.9 The Company shall enforce security interests strictly in accordance with the terms of the applicable transaction documents and applicable laws.

12.10 Any enforcement action, possession, sale, transfer or realization of security shall be undertaken only after occurrence of events permitting such action under the applicable agreements and laws.

13. RELEASE OF MOVABLE AND IMMOVABLE PROPERTY DOCUMENTS

13.1 Upon full repayment or settlement of a loan account, the Company shall release original movable or immovable property documents and remove charges registered with the relevant authorities in accordance with RBI directions.

13.2 The Company shall establish procedures for release of security documents to borrowers or legal heirs.

13.3 In the event of delay attributable to the Company, compensation shall be paid in accordance with RBI directions applicable from time to time.

13.4 In case of loss or damage to original documents while in the custody of the Company, reasonable assistance shall be provided to obtain certified or duplicate documents and compensation shall be paid as required under RBI regulations.

13.5 The Company shall release all original movable or immovable property documents and remove charges registered with any authority within the timelines prescribed by the Reserve Bank of India and other applicable laws after full repayment or settlement of the loan account.

14. PREPAYMENT AND FORECLOSURE

14.1 The Company shall disclose applicable prepayment, foreclosure or exit charges in the sanction letter, loan agreement and Key Facts Statement.

14.2 The Company shall comply with RBI directions relating to foreclosure charges and prepayment penalties applicable to NBFCs.

14.3 Any waiver of charges shall be at the discretion of the Company and in accordance with approved policies.

14.4 The Company shall not levy foreclosure charges, prepayment penalties or any similar charges where prohibited under applicable RBI regulations.

15. CONFIDENTIALITY AND DATA PRIVACY

15.1 The Company shall maintain confidentiality of borrower information except where disclosure is:

(a) Required by law;

(b) Required by regulatory authorities;

(c) Necessary for enforcement of contractual rights;

(d) Authorized by the borrower; or

(e) Required for credit information reporting or fraud prevention.

15.2 Customer information shall be protected through appropriate physical, electronic and procedural safeguards.

15.3 Data shall be collected, processed, stored and shared only for lawful business purposes and regulatory compliance.

15.4 The Company shall comply with all applicable laws relating to data protection and confidentiality.

15.5 Disclosure of customer information to service providers, recovery agencies, collection agencies, assignees, participants, securitization trustees, information utilities, credit information companies or other third parties shall be limited to information reasonably necessary for the relevant purpose and subject to applicable laws.

15.6 The Company shall endeavour to comply with applicable data protection and digital personal data laws in force from time to time.

15.7 The Company shall ensure that collection, processing, sharing and disclosure of customer information under loan agreements, assignment transactions, securitization arrangements, recovery proceedings and enforcement actions are undertaken in a fair, proportionate and lawful manner.

16. NON-DISCRIMINATION

16.1 The Company shall not discriminate against borrowers on grounds of religion, caste, gender, disability, marital status, ethnicity or any other prohibited ground.

16.2 Credit decisions shall be based on objective credit assessment criteria.

16.3 The Company shall provide reasonable assistance to persons with disabilities for availing financial services.

17. CUSTOMER COMMUNICATION

17.1 All material information relating to lending products shall be disclosed clearly and transparently.

17.2 The Company shall communicate important notices through appropriate channels including letters, emails, SMS, website disclosures or other acceptable means.

17.3 Customers shall be informed regarding changes in interest rates, fees, charges or material terms of lending facilities.

17.4 The Company shall provide account statements, repayment schedules, loan account information and other borrower communications in accordance with applicable regulatory requirements and upon request of the borrower.

18. GRIEVANCE REDRESSAL MECHANISM

18.1 The Company shall maintain an effective grievance redressal mechanism for prompt resolution of customer complaints.

18.2 Customers may submit complaints through any of the channels prescribed by the Company.

Grievance Redressal Officer

Name: Anubha

Designation: Executive – Ops & IT

Email: anubha.k@qubikgroup.com

Contact Number: 8796536663

Address: B – 18 Panchsheel Enclave New Delhi - 110017

18.3 Complaints shall be acknowledged and resolved within timelines prescribed by applicable laws and RBI directions.

18.4 Escalation Matrix

Level 1: Grievance Redressal Officer

Level 2: RBI Ombudsman

19. RBI INTEGRATED OMBUDSMAN SCHEME

If the complaint is not resolved within ninety (90) days from the date of receipt of complaint or the complainant is not satisfied with the response received from the Company, the complainant may approach the Reserve Bank of India under the Integrated Ombudsman Scheme, 2021, as amended from time to time.

20. BOARD RESPONSIBILITY

20.1 The Board of Directors shall oversee implementation of this Code.

20.2 The Board shall periodically review compliance with this Code and applicable RBI directions.

20.3 The Board shall ensure establishment of an appropriate grievance redressal framework and customer protection mechanisms.

20.4 Material deviations, customer complaints and regulatory observations relating to this Code shall be reported to the Board periodically.

21. WEBSITE DISCLOSURE

The Company shall display this Fair Practices Code, Interest Rate Policy, grievance redressal details and other disclosures mandated by RBI on its website and make them available to customers upon request.

22. REVIEW OF POLICY

This Fair Practices Code shall be reviewed periodically and at least annually, or earlier if required due to regulatory changes, business requirements or directions issued by the Reserve Bank of India.

23. FORCE MAJEURE

The commitments under this Code are subject to normal operating conditions. The Company shall not be held responsible for inability to perform obligations arising due to force majeure events including natural disasters, acts of government, war, civil disturbances, pandemic situations, system failures or other events beyond its reasonable control.

24. POLICY INTERPRETATION

Any matter not specifically covered under this Code shall be governed by applicable laws, RBI directions, circulars, notifications and internal policies of the Company.

In case of any inconsistency between this Code and applicable regulatory instructions, the regulatory instructions shall prevail.

25. EFFECTIVE DATE

This Fair Practices Code shall come into force with effect from 1 June 2026 and shall remain in force until modified or replaced by the Board of Directors of Qubik Finserv Private Limited.