



DEUTSCHE INVESTMENTS INDIA PRIVATE LIMITED (DIIPL)

FAIR PRACTICES CODE (as updated in May 2026)

Approval Authority	DIIPL Board
Review Frequency	Annual
Last Review	May 2025
Next review	May 2027



OVERVIEW

The Reserve Bank of India (RBI) vide Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025 dated November 28, 2025 has issued guidelines on Fair Practices Code for Non- Banking Financial Companies (NBFCs) thereby setting standards for fair business and corporate practices while dealing with their customers.

Deutsche Investments India Private Limited (DI IPL / the “Company”), hereby furnishes the Fair Practices Code (“the FPC”) based on the guidelines issued by RBI. The Company shall also make appropriate modifications in the FPC from time to time to conform to the standards that may be prescribed by RBI from time to time. The following shall be the Fair Practices Code for the Company’s lending activities.

OBJECTIVE OF THE CODE

The code signifies the following:

- To promote fair practices by setting standards in dealing with clients.
- To have transparency in dealing with the clients and be user friendly to promote their confidence in the Company.
- To redress client disputes/complaints.
- To promote a fair and cordial relationship between the clients and the company

APPLICABILITY

The Fair Practice Code will apply to Lending Business of the Company.

KEY COMMITMENTS

The key commitments which we follow in dealing with our clients:

1. To Act fairly and reasonably in all our dealings with our clients by ensuring:
 - Our products, services, procedures and practices will meet the commitments and standards.
 - Our products and services are in compliance with relevant laws, rules and regulations.
 - Our dealings with clients will rest on ethical principles of integrity and transparency.
 - Client disputes/complaints are handled promptly.
 - No discrimination in extending our products and facilities including loan facilities on the basis of race, caste, colour, religion, gender, marital status, age or physically/visually challenged applicants on grounds of disability. It is, and shall be, our policy to make credit products available to all qualified applicants without discrimination.
2. To assist clients in understanding Company's financial products and services by
 - Providing information about products and services and their financial implications.



- Keeping client informed about changes in the interest rates, charges, terms and conditions.
- Communicating in vernacular language or a language preferred by the client.

A. INFORMATION TRANSPARENCY

(i) Applications for Loans and their processing

- a) We shall furnish all communications to the borrower in English. At the request of the borrower/customer, communication will be shared in vernacular language as understood / requested by the borrower.
- b) The Loan Application Form will include all information that is required to be submitted by the Borrower. Necessary information will be provided by DI IPL to facilitate the Borrower in making a meaningful comparison with similar terms and conditions offered by other Non-Banking Finance Companies (NBFCs) and taking an informed decision based on the aforesaid comparison.
- c) The Loan Application Form shall also indicate the list of documents required to be submitted by the Customer along with the Loan application form.
- d) DI IPL will give an acknowledgement for receipt of Loan application form to its Borrower for availing loans. DI IPL would inform the Borrower about its decision within reasonable period of time from the date of receipt of all the required information in full.

(ii) Loan appraisal and terms/ conditions

- a) DI IPL shall convey in writing to the Borrower by means of a sanction letter or otherwise in English. If the customer does not understand English, the Company shall share the same in vernacular language as understood by the borrower. The communication to include the amount of limit sanctioned along with all the terms and conditions including annualized rate of interest and method of application thereof and DI IPL shall keep the acceptance of these terms and conditions by the borrower on its record.
- b) Any clause relating to penalty charged for late repayment will be specified in bold in Loan agreement.
- c) The Company, at the time of sanction / disbursements of loans, will furnish a copy of loan agreement as understood by the borrower along with a copy each of all enclosures quoted in the loan agreement to the borrowers.

(iii) Disbursement of loans including changes in terms and conditions

- a) DI IPL will give notice to its Borrower/s, in the vernacular language or a language as understood by the borrower/s, of any change in the terms and conditions of sanction



including disbursement schedule, interest rates, service charges, prepayment charges, etc. The Company will also ensure that changes in interest rates and charges are effected only prospectively. A suitable condition in this regard shall be incorporated in the loan agreement.

- b) Decision to recall/ accelerate payment or performance under the Agreement will be in consonance with the respective loan Agreement.
- c) DI IPL will release all securities of its Borrower only on repayment of all dues by such Borrower, or only on realization of the outstanding amount of the Borrower's availed limit, subject to any legitimate right or lien for any other claim which DI IPL may have against its Borrower. If such right of set off is to be exercised, the Borrower will be given notice about the same with full particulars about the remaining claims and conditions under which DI IPL will be entitled to retain the securities till the relevant claim is settled or paid by the Borrower.

(iv) General:

- a) DI IPL 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 been noticed).
- b) In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise i.e., objection of the Company, if any, shall be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.
- c) As the lending business of the company is relationship based, the loan recovery process is driven by Client relationship. The company shall follow legally acceptable and standard means for recovery of loans. Efforts will be made in building customer confidence and long term relationship.
- d) In the matter of recovery of outstanding dues of its borrower(s), under no circumstances, the Company shall resort to any illegal means for recovery of the dues from the customer. Further the Company will not resort to undue harassment viz., persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans etc.



- e) The company will ensure that the Collection/recovery staff are adequately trained to deal with borrowers/customers in an appropriate manner and not exhibit rude behaviour.
- f) All transactions, including payment of interest on deposits/ charging of interest on advances, shall be rounded off to the nearest rupee, i.e., fractions of 50 paise and above shall be rounded off to the next higher rupee and fractions of less than 50 paise shall be ignored.
- g) DIPL shall give at least three months public notice prior to the date of closure of any of its branches/offices in, at least, one leading national newspaper and a leading local (covering the place of branch / office) vernacular newspaper indicating therein the purpose and arrangements being made to service the customers, etc.

(v) Charging of Interest

DIPL will follow below with respect to charging of interest:

- charge interest from the date of disbursement to the customer loan account.
- charge interest only for the period for which the loan was outstanding and not entire month

(vi) Regulation of excessive interest charged

- a) DIPL shall adopt an interest rate model considering relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances. The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers shall be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter.
- b) The rates of interest and the approach for gradation of risks shall also be made available on the website of the Company. The information published on the website shall be updated whenever there is a change in the rates of interest.
- c) The rate of interest shall be annualised rate so that the borrower is aware of the exact rates that would be charged to the account.

B. KEY FACTS STATEMENT ("KFS") FOR LOANS & ADVANCES



The following shall be applicable in cases of all Retail and MSME term loan products extended by DI IPL -

- a) The Company shall provide a KFS to all prospective borrowers to help them take an informed view before executing the loan agreement, as per the standardised format. The KFS shall be written in a language understood by such borrowers. Contents of KFS shall be explained to the borrower and an acknowledgement shall be obtained that they have understood the same.
- b) The KFS shall be provided with a unique proposal number and shall have a validity period of at least three working days for loans having tenor of seven days or more, and a validity period of one working day for loans having tenor of less than seven days.
Explanation: Validity period refers to the period available to the borrower, after being provided the KFS by the Company to agree to the terms of the loan. DI IPL shall be bound by the terms of the loan indicated in the KFS, if agreed to by the borrower during the validity period.
- c) The KFS shall also include a computation sheet of annual percentage rate (APR), and the amortisation schedule of the loan over the loan tenor. APR will include all charges which are levied by the DI IPL.
- d) Charges recovered from the borrowers by DI IPL on behalf of third-party service providers on actual basis, such as insurance charges, legal charges etc., shall also form part of the APR and shall be disclosed separately. In all cases wherever the DI IPL is involved in recovering such charges, the receipts and related documents shall be provided to the borrower for each payment, within a reasonable time.
- e) DI IPL will not charge any fees, charges, etc. which are not mentioned in the KFS, to the borrower at any stage during the term of the loan, without explicit consent of the borrower.
- f) The KFS shall also be included as a summary box to be exhibited as part of the loan agreement.

C. PENAL CHARGES IN LOAN ACCOUNTS

- a) Penalty, if charged, for non-compliance of material terms and conditions of loan contract by the borrower shall be treated as 'penal charges' and shall not be levied in the form of 'penal interest' that is added to the rate of interest charged on the advances.



The company will not capitalize penal charges i.e., no further interest computed on such charges. However normal procedure of compounding of interest in the loan account will continue.

Notes:

- (i) The material terms and conditions shall be defined, as per the credit policy of the DIPL and they may vary from one category of loan to another.
 - (ii) Default in repayment by the borrower is also a type of non-compliance of material terms and conditions of loan repayment contract by the borrower and penalty, if charged, for such default shall be levied in the form of penal charges and not penal interest. Such penal charges shall be reasonable and levied by DIPL only on the amount under default in a non-discriminatory manner as per Board approved policy. Further, it shall be ensured that there is no capitalization of the penal charges i.e., no further interest computed on such charges.
 - (iii) Additional / fresh penal charges shall not be levied on the earlier outstanding amount of penal charges.
 - (iv) DIPL shall follow the instructions and clarifications, if any, issued by Central Board of Indirect Taxes & Customs (CBIC) with regard to applicability of GST on penal charges.
- b) DIPL shall not introduce any additional component to the rate of interest and ensure compliance to these guidelines in both letter and spirit.
 - c) DIPL has formulated a Board approved policy on penal charges.
 - d) The quantum of penal charges to be reasonable and commensurate with the non-compliance of material terms and conditions of loan contract without being discriminatory within a particular loan/product category.
 - e) The penal charges in case of loans sanctioned to 'individual borrowers, for purposes other than business', shall not be higher than the penal charges to non-individual borrowers for similar non-compliance of material terms and conditions.
 - f) The quantum and reason for penal charges shall be clearly disclosed by DIPL to the customers upfront in the loan agreement and Most Important Terms & Conditions/ Key Fact Statement as applicable, in addition to being displayed on the DIPL's website under Interest rates and Service Charges.



- g) Whenever reminders for non-compliance of material terms and conditions of loan are sent to borrowers, the applicable penal charges shall be communicated. Further, any instance of levy of penal charges and the reason thereof shall also be communicated.
- h) In the case of existing loans, the switchover to new penal charges regime shall be ensured on next review or renewal date.

D. PRE-PAYMENT CHARGES ON LOANS

- a) As a measure of customer protection and also to bring in uniformity regarding prepayment of various loans by borrowers of NBFCs, as advised by RBI, DIPL shall not charge foreclosure charges/ pre-payment charges on all floating rate term loans sanctioned to individual borrowers, with or without co-borrower.
- b) Effective 1st January, 2026, the company shall also not levy foreclosure charges / pre-payment charges on all floating rate loans and advances sanctioned or renewed to MSEs borrowers with or without co-obligors in accordance with the guidelines prescribed by RBI in this regard from time to time.
- c) The Non-levy of foreclosure charges / pre-payment charges shall be applicable irrespective of the source of funds used for pre payment of loans, either in part or in full, and without any minimum lock-in period.
- d) In cases other than those mentioned at paragraphs D(a) and D(b) above, the Board of the Company has approved and adopted an 'Framework for Interest Rate and Other Charges' for determining Penal, Processing & Other Charges' and the same have been put up on the Company's website.
- e) In case of term loans, pre-payment charges, if levied by the Company, shall be based on the amount being prepaid.
- f) DIPL shall not levy any charges where pre-payment is affected at the Company's instance.
- g) The Company shall not levy any charges/ fees retrospectively at the time of pre-payment of loans, which were waived off earlier.
- h) The applicability or otherwise of pre-payment charges shall be clearly disclosed in the sanction letter, Key Fact Statement and loan agreement. No pre-payment charges which have not been disclosed as specified herein shall be charged by the Company.



E. GRIEVANCE REDRESSAL MECHANISM

- a) If complaint is received in writing or over phone, complaint number would be given which would be referred to, in future. Complaint register would be maintained.
- b) Company will endeavour to sort out the matter within a period of one month of receipt of a complaint.
- c) In case the complaint requires more time then the same would be informed to the customer. Customer would be updated at regular intervals regarding the status of the same.
- d) The grievance redressal mechanism would ensure that all disputes arising out of decisions of our functionaries are heard and disposed off at least at the next higher level.
- e) A complaint of misconduct against an official of the Company shall be redressed by next level of authority.

Details of Grievance Principal Nodal Officer Cum Grievance Redressal Officer (“PNO/GRO”), as required to be displayed at DIPL office and at the branch offices of DIPL for the benefit of the Customer.

<u>Details of Principal Nodal Officer Cum Grievance Redressal Officer</u>	
Name of Principal Nodal Officer Cum Grievance Redressal Officer (“PNO/GRO”)	Seema Naik
Contact Details of PNO/GRO	02266706760
E-mail address	Seema.naik@db.com
If reply is not received from DIPL or customer remain dissatisfied with the reply of DIPL. Customer can file a complaint with NBFC Ombudsman (not later than one year after the reply from NBFC)	www.cms.rbi.org.in to access the complaint lodging portal of the Ombudsman. Electronic mode: CRPC@rbi.org.in

F. PRIVACY & CONFIDENTIALITY

- a) Unless authorised by the customer, the Company will treat all client information as private and confidential.
- b) The Company will not reveal transaction details to any other entity including within the Group except for the following exceptional cases:
 - If the information is required by any statutory or regulatory authorities and,
 - If there is any duty to the public to reveal the said information.
 - If our interest requires us to provide this information (e.g. fraud prevention). We will not use this reason for giving information about clients to anyone else (including group companies) for marketing purposes.



- If we have taken the clients permission (for instance at the time of loan sanctioning) to provide such information to our group / associate / entities or companies for providing other products or services.
- If the client asks us to reveal such information to our group/associate entities or companies for providing other services or products provided we will have client's written permission.

G. REVIEW

- a) The Fair Practices Code will be available on the website of the Company for the information of its borrowers and various stakeholders. Any enhancements or change in the scope of this code will be uploaded from time to time in future on the said website.
- b) The aforesaid policy will be reviewed annually by the Board of Directors or as and when there are any new changes incorporated by DIPL in handling complaints / grievances of the customer which includes introduction of new grievance channels, if any.