ADVENTZ SECURITIES ENTERPRISES LIMITED
FAIR PRACTICE CODE

INTRODUCTION

Adventz Securities Enterprises Limited ("the Company") is a Non-Deposit Taking Non-Banking Financial Company - Investment and Credit Company (NBFC-ICC), registered with the Reserve Bank of India ("RBI"), primarily engaged in making long-term investments in shares, securities and mutual funds, and in providing financial assistance. Pursuant to the classification of the Company's parent as a Middle Layer NBFC under the Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025, the Company also stands classified as a Middle Layer NBFC ("NBFC-ML").

The Company had adopted a Fair Practice Code pursuant to the RBI circular dated 28th September, 2006, which was last reviewed and adopted by the Board of Directors on 26th April, 2018. The Board has now reviewed and updated the Code to align it with the Fair Practices Code prescribed under the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ("SBR Directions") and other applicable RBI guidelines/circulars issued from time to time, including on penal charges and fair charging of interest. The revised Code has been approved by the Board and shall come into immediate effect.

As the Company is a listed entity, it is already subject to, and continues to comply with, the disclosure, corporate governance and investor-protection norms prescribed by SEBI, including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Code deals specifically with fair practices to be followed by the Company towards its borrowers/customers, as mandated by the RBI, and supplements – and does not dilute or override – the Company's compliance with applicable SEBI norms.

Considering the small scale and limited nature of the Company's lending/financial assistance operations, the provisions of this Code shall be implemented in a manner that is simple and proportionate to the size, scale and complexity of the Company's business, while remaining fully compliant with the applicable RBI directions.

OBJECTIVES

- To follow good, fair and transparent practices in dealing with customers by setting reasonable standards;
- To promote fair competition among NBFCs so as to encourage higher operating standards;
- To ensure transparency so that customers can reasonably understand the terms of the products offered and take informed decisions;
- To ensure compliance with legal and regulatory requirements, including in matters relating to recovery of loans; and
- To strengthen the mechanism for redressal of customer grievances.

I. APPLICATION FOR LOANS AND THEIR PROCESSING

- All communications to the borrower shall be in English or in a language as understood by the borrower.

- The loan application form shall include all necessary information affecting the interest of the borrower, so that a meaningful comparison with the terms offered by other NBFCs is possible and an informed decision can be taken. It shall also indicate the documents required to be submitted along with the application.
- The Company shall duly acknowledge receipt of all loan applications and, as far as practicable, indicate the time frame within which the application will be disposed of.

II. LOAN APPRAISAL, TERMS AND CONDITIONS

- The Company shall convey to the borrower, in writing, in English or a language understood by the borrower, by means of a sanction letter or otherwise, the loan amount sanctioned along with the terms and conditions, including the annualised rate of interest and the method of its application, and shall keep on record the borrower's acceptance of these terms and conditions.
- Wherever applicable, the Key Facts Statement (KFS) shall be provided to the borrower in the prescribed format, disclosing all-inclusive charges/costs relating to the loan.
- The loan document shall clearly disclose the penal charges, if any, for late repayment or default in a non-discriminatory manner. Such charges shall be treated as "penal charges" and not levied in the form of "penal interest" added to the rate of interest on the loan, in line with RBI's directions on penal charges. Penal charges shall be reasonable, commensurate with the default, and not used as a revenue enhancement tool. Charges applicable to individual borrowers (for non-business purposes) shall not be higher than those applicable to non-individual borrowers for a similar default.
- A copy of the loan document along with a copy of each enclosure quoted therein shall be furnished to the borrower at the time of sanction/disbursement of the loan.

III. DISBURSEMENT OF LOANS, INCLUDING CHANGES IN TERMS AND CONDITIONS

- The Company shall give prior notice to borrowers of any change in the terms and conditions, including disbursement schedule, interest rate, service charges and prepayment charges. Changes in interest rate and charges shall be effected only prospectively, and a suitable provision to this effect shall be incorporated in the loan document.
- Interest shall be charged to the borrower only from the date of actual disbursement of funds, and not from the date of sanction of the loan/execution of the loan agreement or the date of the disbursement cheque, in line with RBI's directions on fair lending practices.
- Any decision to recall or accelerate payment/performance shall be in consonance with the terms of the loan document.
- The Company shall release all securities on repayment of all dues, subject to any legitimate right of lien for other claims. Where such right of set-off is exercised, the borrower shall be given notice with full particulars of the remaining claims and the conditions under which the Company is entitled to retain the securities.
- On full repayment/settlement of a loan, the Company shall release all original movable/immovable property documents and remove charges registered with any registry, within 30 days. The borrower shall have the option to collect the documents

either from the office where the loan was serviced or any other office of the Company, as indicated in the loan document. In case of delay beyond 30 days attributable to the Company, the borrower shall be compensated as per RBI guidelines and informed of the reasons for delay.

IV. REGULATION OF INTEREST CHARGED

- The Board of Directors shall adopt an interest rate model, taking into account relevant factors such as cost of funds, margin and risk premium, to determine the rate of interest on loans and advances. The approach for gradation of risk and the rationale for charging different rates of interest to different categories of borrowers shall be disclosed in the application form and communicated explicitly in the sanction letter.
- The rates of interest and the approach for gradation of risk shall also be made available on the Company's website and to other stakeholders.
- The rate of interest shall be an annualised rate, so that the borrower is aware of the exact rate applicable to the account. Interest rates charged shall not be excessive or usurious.

V. GENERAL

- The Company shall not interfere in the affairs of the borrower except for purposes provided in the terms and conditions of the loan document, unless new information not earlier disclosed by the borrower comes to its notice.
- On receipt of a request from the borrower for transfer of the borrowal account, the consent or objection of the Company, if any, shall be conveyed within 21 days from the date of receipt of the request, and any such transfer shall be as per transparent contractual terms in consonance with law.
- In the matter of recovery of loans, the Company shall resort only to lawful means and shall not resort to harassment, such as persistently bothering borrowers at odd hours or use of muscle power. The Company shall ensure that its staff are adequately trained to deal with customers appropriately.
- As a measure of customer protection, the Company shall not charge foreclosure charges/pre-payment penalties on floating rate term loans sanctioned to individual borrowers for purposes other than business.
- The Company shall not discriminate against applicants on grounds of disability in extending its products and facilities, and shall render all reasonable assistance to such applicants.

VI. GRIEVANCE REDRESSAL MECHANISM

The Board of Directors has laid down an appropriate grievance redressal mechanism, to be followed by any aggrieved customer, in the Company's “Grievance Redressal Policy”. Complaints shall be dealt with promptly, and where a matter cannot be resolved within the prescribed timeline, the customer shall be informed accordingly.

The Company Secretary of the Company is designated as the Grievance Redressal Officer/Principal Nodal Officer, whose contact details shall be made available on the Company's website, and who may be approached by the public for resolution of complaints against the

Company. The Board shall periodically review the compliance of this Code and the functioning of the grievance redressal mechanism.

VII. DISCLOSURE

This Fair Practice Code shall be made available on the Company's website and displayed at its office(s), for information of customers and other stakeholders.

VIII. REVIEW OF THE CODE

The Company shall review this Fair Practice Code at least once every two years, or earlier as may be necessitated by changes in RBI guidelines, based on its own experience and business needs.