



FAIR PRACTICES CODE
OF
DMI FINANCE PRIVATE LIMITED

1. **PREAMBLE:**

DMI Finance Private Limited (hereinafter referred to as '**the Company**' or '**DMI**') is a Non-Deposit taking Non-Banking Financial Company (NBFC-ND) duly registered with the Reserve Bank of India ('RBI'). The Company is categorized as Middle Layer NBFC (NBFC-ML) as per Master Direction – Reserve Bank of India ("**RBI**") (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ("**RBI Master Directions**"), as amended from time to time. The Company is primarily engaged in the lending business.

In accordance with Chapter VII (Fair Practices Code) of the RBI Master Directions, Non-Banking Financial Companies ("**NBFCs**") having customer interface are required to adopt the guidelines on Fair Practices Code ('FPC') prescribed in the RBI Master Directions. DMI, being a NBFC having customer interface, has formulated and adopted this FPC for the lending business in accordance with said directions. The FPC also seeks to incorporate various disclosure requirements prescribed by the RBI vide its 'Digital Lending Directions' ("**Digital Lending Guidelines**") dated May 8, 2025 and other such directions/guidelines, as applicable to the Company's lending business.

2. **PURPOSE AND ITS APPLICABILITY:**

DMI has adopted the FPC for implementation with an endeavor to achieve fair and transparent practices while dealing with its customers/ borrowers. This FPC intends to promote good and fair practices by setting the minimum standards which must be followed while dealing with the customers. Further, the FPC also seeks to increase transparency so that the customers can have better understanding of the products/ services being offered by the Company.

This FPC shall apply across all aspects of the Company's lending business operations including digital lending, marketing, loan origination, processing, servicing, collection activities etc. DMI's commitment to the FPC would be demonstrated in terms of employee accountability, monitoring and auditing programs, training and technology.

The Company's Board of Directors and the management are responsible for establishing practices designed to ensure that its operations reflect a strong commitment to the FPC and that all employees are aware of the FPC.

3. **DEFINITIONS:**

- a) "**Annual Percentage Rate**" is the annual cost of credit to the borrower which includes interest rate and all other charges associated with the credit facility
- b) "**Authorised Representative**" means a person other than an Advocate duly appointed and authorised in writing to represent a complainant in the proceedings before the Ombudsman.
- c) "**Board**" means Board of Directors of the Company.
- d) "**Complaint**" means any representation made in writing or through other modes alleging deficiency in service on the part of the Company, and/ or seeking relief under the Scheme;
- e) "**Company**" means DMI Finance Private Limited.
- f) "**Director**" means individual Director or any of the Directors on the Board of the Company.
- g) "**FPC**" means Fair Practices Code.
- h) "**Internal Ombudsman**" means the internal ombudsman appointed by DMI as an independent authority to review complaints that were partially or wholly rejected by the respective customer service team of DMI.
- i) "**Key Fact Statement**" or "**KFS**" means a statement of key facts of a loan agreement, in simple and easier to understand language, provided to the borrower in a standardized format.
- j) "**Ombudsman/ Deputy Ombudsman**" means any person appointed by the Reserve Bank as such under the Scheme.
- k) "**Scheme**" means the Reserve Bank- Integrated Ombudsman Scheme, 2021 issued by Reserve Bank of India dated November 12, 2021, as amended from time to time.

4. NORMS APPLICABLE TO ALL LOAN PRODUCTS OF DMI:

(i) Applications for Loans and their Processing:

- (a) All loan products of the Company shall be as per the Loan Policy adopted by the Company.
- (b) All communications to the customer by DMI shall be in the vernacular language or a language as understood by the borrower.
- (c) As part of the process and to ensure transparency, DMI, at the application stage, shall provide all necessary information including but not restricted to processing fees/ charges, if any, non-refundable fees in case of rejection of loan proposal, pre-payment options etc., which effects the interest of the customer so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and informed decision can be taken by the customer.
- (d) The Company shall provide acknowledgment for receipt of loan applications along with the time frame within which loan applications would be disposed-off. Further, the loan application shall be disposed of within the time-period of up to 60 days or such time as mutually agreed upon with the customer.
- (e) The Company, at loan application stage, shall indicate all the documents required to be submitted along with the application form. The Company will collect all necessary documents to comply with Know Your Customer Norms (KYC norms) of Reserve Bank of India (RBI). Additional information will be requested if needed.
- (f) On exercise of choice, the customer would be given the relevant information about the loan product of his/her choice.
- (g) The customer would be informed about the status of his/ her application, as and when required. The Company, while accepting loan application shall explain the entire loan process and journey till the sanction and disbursement of loan. The customer shall also be informed about the timelines within which the entire loan process will be completed in the ordinary course of business.

(ii) Loan Appraisal Terms and Conditions:

- (a) DMI shall scrutinize the information submitted by the customer and, if any additional data is required, it shall seek the same promptly to facilitate expeditious disposal of the loan application.
- (b) DMI shall convey key terms and conditions of the proposed loan in writing in vernacular language or a language as is understood by the customer), by means of Sanction letter or Term sheet or any other form of written communication along with the KFS and the same shall include:
 - the amount of loan sanctioned along with the terms and conditions including annualized rate of interest;
 - details of the default interest / penal charges (expressed in percentage per month/ annum as the case may be) and the charges payable by the customers in relation to their loan account and method of application thereof;
 - Penal charges for late repayment of loan would be expressly mentioned in bold in the loan agreement;
 - The customer shall be required to provide acceptance of terms and conditions of the sanction if he/ she intends to avail the loan either in writing or by some affirmative action, including by opting to proceed further with the process of loan sanction and disbursement.
- (c) DMI shall furnish a copy of the loan agreement in English or vernacular language, as understood by the borrower along with copy of all relevant enclosures quoted in the loan

agreement to all the borrowers at the time of sanction/disbursement of the loan and shall be duly approved by the customer. DMI shall also provide the standard loan agreement on its website in the key vernacular languages.

(d) Key Fact Statement

- The Company shall provide a KFS to all prospective borrowers to help them take an informed view before executing the loan contract, as per the standardised format provided under the RBI regulations. The KFS shall be provided to the borrowers in the language understood by the borrower.
- Contents of KFS shall be explained to the borrower and an acknowledgment shall be obtained that he/she has understood the same.
- 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. The borrower shall be bound by the terms of the loan indicated in the KFS, if agreed to by the borrower during the validity period.
- The KFS shall include a computation sheet of APR and the amortization schedule of the loan over the loan tenor. APR will include all charges levied by the Company.
- Charges recovered from the borrowers by the Company on behalf of third-party service providers on an 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 Company is involved in recovering such charges, the receipts and related documents shall be provided to the borrower for each payment, within a reasonable time.
- The KFS shall also be exhibited as part of the loan agreement.

(e) Penal Charges

- A separate policy on interest rate and charges has been adopted and approved by the Board of DMI and has been placed on DMI's website.
- 'Penal charges' for non-compliance of material terms and conditions of loan contract by the borrower shall not be levied in the form of 'penal interest' that is added to the rate of interest charged on the advances. There shall be no capitalisation of penal charges i.e., no further interest computed on such charges. However, this will not affect the normal procedures for compounding of interest in the loan account.
- The quantum and reasons for overdue/ penal charges shall be clearly disclosed by DMI to the customers in the loan agreement and most important terms & conditions/Key Fact Statement. DMI has also displayed the penal charges on its website under interest rates and service charges.
- Quantum of penal charges shall 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.
- There shall be no capitalisation of overdue/ penal charges charged by DMI to the borrower i.e., no further interest will be computed on such overdue/ penal charges.
- The penal charges in case of loans sanctioned 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 terms and conditions.
- Whenever reminders for non-compliance of terms and conditions of loan are sent to borrowers, the penal charges shall be communicated. Further, any instance of levy of penal charges and the reason therefore shall be communicated to the borrower.

(iii) Disbursement of Loan and Changes in Terms & Conditions:

- (a) DMI shall give notice in English or in the vernacular language as is understood by the customer regarding any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc.
- (b) Changes in the interest rates and charges shall be only made effective prospectively. A suitable condition in this regard shall be incorporated in the loan agreement.
- (c) Decision to recall / accelerate payment or performance under the agreement shall be in consonance with the loan agreement. Before taking a decision to recall/ accelerate payment or performance under the agreement or seeking additional securities, DMI shall give notice to customers in consonance with the loan agreement.
- (d) DMI shall release all securities on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim DMI may have against borrower. If such right of set off is to be exercised, the borrower shall be given notice about the same with full about the remaining claims and the conditions under which DMI is entitled to retain the securities till the relevant claim is settled/ paid.
- (e) All communication like acceptances (including for amendments or addendum) with the Customer in relation to the sanction / facilities / loan / mandate / proposals shall be in writing and preserved for a minimum period of ten years.

(iv) Collection of Dues

- (a) We will follow our code of conduct for collections.
- (b) Our Collections Code of Conduct is built on courtesy, fair treatment, and persuasion. We believe in fostering customer confidence and long-term relationship.
- (c) We will make sure to consider collections after due consideration for genuine difficulties faced by you. The Company shall ensure that the staff are adequately trained to deal with the customers in an appropriate manner for complaints related to rude behavior.
- (d) In the matter of recovery of amount due, the staff will not resort to intimidation or harassment of any kind, either verbal or physical. Also, they shall not resort to making threatening and/or anonymous calls or sending inappropriate messages on mobile/social media or persistently calling the borrower. Further, our representatives shall not resort to acts intended to humiliate publicly or intrude upon the privacy of the debtors' family members, referees and friends.
- (e) In case of a loan default, when a recovery agent is assigned for recovery or there is a change in the recovery agent already assigned, the particulars of such recovery agent authorised to approach the borrower for recovery shall be communicated to the borrower through email/ SMS before the recovery agent contacts the borrower for recovery.
- (f) Our representatives shall contact the borrowers only between 0800 hrs and 1900 hrs, unless the special circumstances of the customer's business or occupation require otherwise. Also, they shall not resort to making any false and misleading representations, etc.

(v) General:

- (a) In case of secured lending, DMI shall release all the original movable / immovable property documents and remove charges registered with any registry within a period of 30 days after full repayment/settlement of the loan account.
- (b) The borrower will be given the option of collecting the original movable/ immovable property documents either from the outlet/branch where the loan account was serviced or any other office of the DMI where the documents are available, as per her/his preference.

- (c) The timeline and place of return of original movable/immovable property documents shall be mentioned in the loan sanction letters issued on or after the effective date.
- (d) In case of delay in releasing of original moveable/immoveable property documents or failing to file charge satisfaction form with the relevant registry within 30 days after full repayment/settlement of the loan account, DMI shall communicate to the borrower reasons for such delay. In case where the delay is attributable to DMI, it shall compensate the borrower at the rate of INR 5,000 for each day of delay.
- (e) In case of loss/damage to original moveable/immoveable property documents, either in part or full, DMI shall assist the borrower in obtaining duplicate/certified copies of the movable/immovable property documents and shall bear the associated costs, in addition to paying compensation as indicated at clause (d) above. However, in such cases, an additional time of 30 days will be available to DMI to complete this procedure and the delayed period penalty will be calculated thereafter (i.e., after a total period of 60 days).
- (f) The compensation provided in clause (d) or (e) above is without prejudice to the rights of the borrower to get any compensation as per any applicable law.
- (g) DMI will not interfere 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).
- (h) In case of receipt of request from the borrower for transfer of loan account, the consent or otherwise i.e., objection from DMI, if any, should 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.
- (i) If the customer does not adhere to repayment schedule, a defined process in accordance with the laws of the land will be followed for recovery of dues. The process will involve reminding the customer by sending the notice or by making personal visits and/ or repossession of security, if any. In case of default, DMI may refer the case to the recovery agent and will inform the customer of the recovery proceedings being initiated. DMI shall ensure that its process of recovery does not involve harassment to the customer. Appropriate instructions will be provided by DMI to its staff for handling customer queries and grievances cordially.
- (j) All the fees / charges / interest shall be charged as per the interest rate policy adopted by the Company and as per the terms & conditions applicable to the Loan.
- (k) DMI shall endeavour that post-disbursement supervision is constructive and the genuine difficulties which the customer may face are given appropriate consideration.
- (l) DMI will consider genuine cases of financial difficulty appropriately. The customer should identify any such problem and should let DMI know as soon as possible.
- (m) All personal information of the customer would be confidential and would not be disclosed to any third party unless agreed to by the customer in writing. The term 'Third party' excludes all Law enforcement agencies, Credit Information Bureau, RBI, other banks and financial institutions and any other state, central or other regulatory body. Further, DMI may reveal Customer information under the following circumstances also:
 - If DMI is compelled by law.
 - If it is in the Public Interest to reveal the information.
 - If the interest of DMI to require disclosure.
- (n) Currently, DMI does not sanction loan at floating rate personal loans but if DMI plans to do the same in future, DMI shall inter alia, adopt the following guidelines.
 - At the time of sanction of EMI based floating rate personal loans, DMI will take into account the repayment capacity of borrowers to ensure that adequate headroom/margin is

available for elongation of tenor and/or increase in EMI, in the scenario of possible increase in the external benchmark rate during the tenor of the loan.

- At the time of sanction, DMI shall clearly communicate to the borrowers about the possible impact of change in benchmark interest rate on the loan leading to changes in EMI and/or tenor or both. Subsequently, any increase in the EMI/ tenor or both on account of the above shall be communicated to the borrower immediately through appropriate channels.
- At the time of reset of interest rates, DMI will provide the option to the borrowers to switch over to a fixed rate as per the Board approved policy. The policy, inter alia, will also specify the number of times a borrower will be allowed to switch during the tenor of the loan.
- The borrower shall also be given the choice to opt for:
 - a) enhancement in EMI or elongation of tenor or for a combination of both options; and,
 - b) to prepay, either in part or in full, at any point during the tenor of the loan.
- Levy of foreclosure charges/ prepayment penalty shall be subject to extant instructions.
 - All applicable charges for switching of loans from floating to fixed rate and any other service charges/ administrative costs incidental to the exercise of the above options shall be transparently disclosed in the sanction letter and also at the time of revision of such charges/ costs by DMI from time to time.
 - DMI shall ensure that the elongation of the tenor in case of floating rate loan does not result in negative amortization.
 - DMI will share/ make accessible to the borrowers, through appropriate channels, a statement at the end of each quarter which shall at the minimum, enumerate the principal and interest recovered till date, EMI amount, number of EMIs left and annualized rate of interest/Annual Percentage Rate (APR) for the entire tenor of the loan. DMI shall ensure that the statements are simple and easily understood by the borrower.
 - DMI shall not charge foreclosure charges/ pre-payment penalties on any floating rate term loans sanctioned to individual borrowers for the purpose other than business.

(vi) Responsibility of Board of Directors: DMI, with the approval of its Board of Directors, has laid down Grievance Redressal Mechanism (“GRM”) within the organization as per details mentioned in the next paragraph. Such a mechanism ensures that all disputes arising out of the decisions of the Company’s functionaries are heard and disposed-off at least at the next higher level. The Board of Directors shall annually review the compliance of the FPC and the functioning of the GRM. A consolidated report in this regard shall be submitted to the Board every year.

(vii) Grievance Redressal Mechanism (“GRM”): The Company, with the approval of its Board of Directors, shall adopt the Policy on Grievance Redressal Mechanism (“GRM”) which is enclosed herewith as ‘Annexure-A’. In accordance with the RBI Master Directions the aforesaid GRM of the Company shall also deal with the issues relating to services provided by any outsourced agency engaged by the Company.

(viii) Language and Mode of Communicating the FPC: DMI, in accordance with the Guidelines on FPC and RBI Master Directions, shall put in place the FPC in English language and in vernacular languages.

(ix) Code with respect to Rate of Interest:

- (a) Pursuant to RBI Master Directions, the Board approved Interest Rate Policy of DMI is already in place, mentioning internal principles and procedures in determining interest rates, processing charges and other charges. The Interest Rate Model adopted by the Company takes into account relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for the loans and advances extended by it.

- (b) DMI, in the application form and the sanction letter, will disclose to its borrowers rate of interest to be calculated basis the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers adopted in accordance with applicable RBI directions and Interest Rate Policy of DMI.
- (c) The rates of interest and approach for gradation of risk shall also be made available on the website of DMI.
- (d) The rate of interest being charged by DMI shall be annualized rate to make the customer aware of the exact rates that would be charged to the account.
- (e) Charging of interest shall be from the date of actual disbursement of the funds to the customer and not from the date of sanction of loan or date of execution of loan agreement.
- (f) In the case of disbursal or repayment of loans during the course of the month, interest shall be charged only for the period for which loan was outstanding and not the entire month.
- (g) In case more than one or more instalment is collected in advance, the full loan amount shall not be reckoned for charging interest.

(x) Ombudsman Scheme:

The Company shall ensure compliance with the 'the Reserve Bank- Integrated Ombudsman Scheme, 2021' ("**Ombudsman Scheme**"). The salient features of the Ombudsman Scheme and the contact details of the Principal Nodal Officer are provided as **Annexure B** of the FPC. The same along a copy of the Ombudsman Scheme are also available on the website of the Company at <https://www.dmifinance.in>.

(xi) Internal Ombudsman ("IO"):

The Company has duly appointed its Internal Ombudsman as per the RBI Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023, dated December 29, 2023.

The IO shall deal only with the complaints that have already been examined by the Company but have been partly or wholly rejected by the Company. In other words, the IO shall not handle complaints received directly from the customers or members of the public. However, the following types of complaints shall be outside the purview of the IO's purview and shall not be handled by the IO:

- (a) Complaints related to frauds, misappropriation etc., except those resulting from deficiency in service, if any, on the part of the Company;
- (b) Complaints/references relating to (a) internal administration, (b) human resources, (c) pay and emoluments of staff;
- (c) References in the nature of suggestions and commercial decisions of the Company. However, service deficiencies in cases falling under 'commercial decisions' will be valid complaints for the Internal Ombudsman;
- (d) Complaints which have been decided by or are already pending in other fora such as Consumer Disputes Redressal Commission, courts, etc.
- (e) Disputes for which remedy has been provided under Section 18 of the Credit Information Companies (Regulation) Act, 2005.

The Complaints that are partly or wholly rejected by the Company's internal grievance redress mechanism shall be auto-escalated to IO within a period of 20 days from the date of receipt of the complaint.

The IO and the Company shall ensure that the final decision is communicated to the complainant within 30 days from the date of receipt of the complaint by the Company. In case of complaints

that are fully or partly rejected even after examination by the IO, the Company shall necessarily advise to the complainant as part of the reply that he/ she can approach the RBI Ombudsman for redress (if the complaint falls under the RBI Ombudsman mechanism) along with complete details. The advice should include the link to the RBI's portal (www.cms.rbi.org.in) for online filing of customer complaints and physical address of RBI's Centralised Receipt and Processing Centre.

However, in cases where the IO overrules the decision of the Company to reject or partly reject the complaint, the Company can disagree with the decision of the IO only with the approval of the Executive Director / Managing Director / Chief Executive Officer. In such cases, the reply to the complainant shall explicitly state the fact that the complaint was examined by the IO and the decision of the Company was overruled in favour of the complainant; however, the Company, with the approval of the Competent Authority, has disagreed with the decision of the IO. Such decision shall be communicated to the complainant within 7 days of communication of the decision of the IO on the case to the Company.

5. ADDITIONAL NORMS FOR DIGITAL LENDING OR THE LOANS SOURCED OVER A DIGITAL LENDING PLATFORM:

- (i) **Norms for Loans Sourced by DMI over Digital Lending Platform/ Apps ("DLAs")**- In case, DMI digital lending platform to source borrowers and/ or to recover dues (irrespective of whether they lend through their own digital lending platform or through an outsourced lending platform), DMI shall abide by the provisions of this FPC in letter and spirit and in the manner it may be applicable to its business. Further, the Company shall adhere to the following instructions in respect of digital lending:
- (a) Names of digital lending platforms engaged as agents shall be disclosed on the website of the Company.
 - (b) Digital lending platforms engaged as agents shall be directed to disclose upfront to the customer, the name of the Company on whose behalf they are interacting with the customer.
 - (c) Effective oversight and monitoring shall be ensured over the digital lending platforms engaged by the Company.
 - (d) Adequate efforts shall be made towards creation of awareness about the grievance redressal mechanism.
 - (e) Issue a sanction communication to borrowers immediately after approval but before signing the loan agreement.
 - (f) Ensure that digitally signed documents (on the letter head of the Company) viz., KFS, summary of loan product, sanction letter, terms and conditions, account statements, privacy policies of the Company / Lending Service Provider (LSP) with respect to storage and usage of borrowers' data, etc. shall automatically flow to the borrower on the registered and verified email/ SMS upon execution of the loan contract/ transactions.
- (ii) **Norms to be followed by DMI with respect to Digital Lending**- The Company shall comply with the provisions of Reserve Bank of India (Digital Lending) Directions, 2025 dated May 8, 2025 (as amended or replaced from time to time) to the extent applicable.

6. ADDITIONAL NORMS FOR GOLD LOAN BUSINESS, IF APPLICABLE:

DMI, currently, does not lend against gold jewellery to individuals but if it plans to do the same in future, then DMI shall, inter alia, adopt the following guidelines in addition to other applicable guidelines mentioned in this FPC:

- (i) DMI shall put in place Board approved policy for lending against gold that should inter alia, cover the following:

- (a) Adequate steps to ensure compliance with the KYC Directions stipulated by RBI and ensure adequate due diligence is carried out on the customer before extending any loan;
 - (b) Proper assaying procedure for the jewellery received;
 - (c) Internal systems to satisfy ownership of the gold jewellery;
 - (d) Adequate systems for storing the jewellery in safe custody, reviewing the systems on an on-going basis, training the concerned staff and periodic inspection by internal auditors to ensure that the procedures are strictly adhered to. Such loans will not be extended by branches that do not have appropriate facility for storage of the jewellery;
 - (e) The jewellery accepted as collateral should be appropriately insured;
 - (f) Transparent auction procedure without conflict of interest in case of non-repayment with adequate prior notice to the borrower;
 - (g) The auction to be announced to the public by issue of advertisements in at least two newspapers, one in vernacular language and another in national daily newspaper;
 - (h) DMI itself will not participate in the auction;
 - (i) Gold pledged will be auctioned only through auctioneers approved by the Board;
 - (j) The Policy will also cover systems and procedures to be put in place for dealing with fraud including separation of duties of mobilization, execution and approval
- (ii) The loan agreement shall also disclose details regarding auction procedure.
 - (iii) The documentation across all branches shall be standardized.
 - (iv) DMI shall not issue misleading advertisements like claiming the availability of loans in a matter of 2-3 minutes.

7. ADDITIONAL NORMS FOR VEHICLE FINANCING, IF APPLICABLE:

DMI shall ensure compliance with the following aspects prescribed in the RBI Master Directions in respect of financing of vehicles, directly or through its intermediaries:

- (i) DMI will have an in-built re-possession clause in the loan agreement with the borrower which is legally enforceable.
- (ii) DMI will ensure transparency in the terms and conditions of the loan agreement regarding:
 - (a) Notice period before taking possession;
 - (b) Circumstances under which notice period will be waived;
 - (c) Procedure for taking possession of security/ vehicle;
 - (d) A provision regarding final chance to be given to the borrower for repayment of loan before the sale/auction of the property/ vehicle;
 - (e) The procedure for giving repossession of the vehicle/ vehicle; and
 - (f) Procedure for sale/auction of the property/ vehicle.

8. NBFC- MICRO FINANCE INSTITUTIONS (NBFC-MFI) AND MICROFINANCE LOANS:

DMI does not envisage carrying out NBFC-MFI activities therefore such guidelines are not applicable on the Company. The Company offers loans to individuals whose Gross Household Income is greater than ₹25,000/- per month. Therefore, the provisions relating to micro finance loans as specified in the Master Direction- Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 dated March 14, 2022 ("**Master Directions on Microfinance Loans**"), is not applicable on the Company.

9. CODE OF CONDUCT ISSUED BY DIGITAL LENDERS' ASSOCIATION OF INDIA (DLAI):

The Company shall comply with the provisions of the Code of Conduct issued by Digital Lender's Association of India (DLAI) on September 23, 2023 of which the Company is a Member.

10. LOAN FACILITIES TO PHYSICALLY/VISUALLY CHALLENGED:

DMI shall not discriminate in extending products and facilities including loan facilities to physically/visually challenged applicants on grounds of disability. All branches/representatives of the DMI shall render all possible assistance to such persons for availing of the various business facilities.

11. REVIEW OF THE FPC:

The FPC shall be amended or modified with approval of the Board. The FPC shall be reviewed by the Board on an annual basis. Consequent upon any amendments in RBI Master Directions or any change in the position of the Company, necessary changes in this FPC shall be incorporated and approved by the Board.

Notwithstanding anything contained in this FPC, in case of any contradiction of the provision of this FPC with any existing legislations, rules, regulations, laws or modification thereof or enactment of a new applicable law, the provisions under such law, legislation, rules, regulation or enactment shall prevail over this FPC.

GRIEVANCE REDRESSAL MECHANISM

1. Introduction

DMI Finance Private Limited (hereinafter referred as the “Company” or “DMI”) is registered as a Non-Deposit Accepting Non-Banking Financial Company (‘NBFC’) and categorized as a NBFC – Middle Layer as per the Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023 (as amended from time to time) (“Master Direction”) with the Reserve Bank of India (RBI) vide NBFC Certificate of Registration No. N-14.03176.

In accordance with Chapter VII of the Master Direction on Fair Practices Code, DMI has formulated this Mechanism, hereinafter referred to as “Grievance Redressal Mechanism”.

Our Grievance Redressal Mechanism is designed to ensure that all customer complaints and concerns are addressed promptly and effectively. We encourage our customers to raise grievances through designated channels, and we commit to resolving issues within a specified timeframe. Our dedicated grievance redressal team will investigate each complaint thoroughly and provide feedback to the complainant. We aim to foster transparency and trust, ensuring that our clients feel heard and valued in their interactions with us.

2. Applicability

This Mechanism applies to all customers, stakeholders, and employees of the Non-Banking Financial Company (NBFC). It encompasses all services and products offered by the company, including but not limited to loans, investments, and customer support. This Mechanism is intended for use in all customer interactions, including face-to-face communications, telephonic conversations, and electronic correspondences. Additionally, it applies to any third-party service providers engaged by the NBFC in delivering services to customers. All parties involved are encouraged to familiarize themselves with the Mechanism to ensure effective communication and resolution of grievances.

3. Objective of the Mechanism

- (i) All customers are always treated fairly and without bias.
- (ii) All issues raised by customers are dealt with courtesy and resolved on time.
- (iii) Customers are made completely aware of their rights so that they can opt for alternative remedies, if they are not fully satisfied with our response or resolution to their complaint

This Mechanism is applicable to all customers of DMI and all the matters brought to the notice of DMI through its recognised correspondence and interaction channels. This excludes the cases which are sub-judice.

4. Key Parameters

Following are some of the key parameters of the Grievance Redressal Mechanism (“GRM”) adopted by the Company:

- (i) Resolution of customer complaints/ disputes/ queries within a prescribed time frame.
- (ii) Ensuring that all complaints/ disputes/ queries of customers are heard and disposed of at least at the next higher level.
- (iii) The Company shall take-up the complaint/ grievance promptly and resolve the matters expeditiously within a period of 30 days. If the complaint/ grievance is not resolved within a period 30 days, the borrower can submit the complaint through the Complaint Management System (“CMS”) portal under the Reserve Bank-Integrated Ombudsman Scheme.

All communications shall be in vernacular language/ language understood by the borrower.

5. Overview of Customer Service

Customer interactions are categorized as under:

- i. Queries (Q) - Customer requirements which can be attended to and closed immediately, without requirement of further processing.
- ii. Requests (R) - Customer requirements which need further processing and are not in the nature of complaint.
- iii. Complaints (C) – Complaints should be raised in the following scenarios :
 - a. Non-closure of request within promised timeframe (TAT);
 - b. Deficiency in promised action and services provided to the customers in writing;
 - c. Breach of agreed terms and conditions of the loan contract;
 - d. Non-disclosure of material terms as required under the Fair Practices Code;
 - e. Action and behavior of the company employee and partner resulting in wrongful financial loss where customers have cited facts of incident.

6. Channels, Escalation Matrix and Timelines for Grievance Redressal within DMI

DMI operates into various business segments namely Consumption Loans, Personal Loans, and MSME Loans including Term loans and Loan against Shares offered to High Net-Worth Individual (HNI). Since the customer segment and queries/enquiries would vary therefore the Company has decided to have separate escalation matrix and timelines for each business segment.

- (1) Channels for registering Customer Grievances: Consumer/ Retail Loans/e-KYC (UIDAI):** For Consumer/ Retail Loans (which includes Consumption Loans, Electric Vehicle loans, Loans Against Securities, Personal Loans and MSME Loans including Term loans and Loan against Shares) and for Loans to Individual (which includes Term loans and Loan Against Shares) and e-KYC (UIDAI KUA) process, the customers can register their complaints/ queries/ enquiries through the following channels:

- (a) Voice Support-** The customer can call us at Consumer & MSME Customer care at 08064-807- 777 between 9:00 am to 8:00 pm from Monday to Saturday.
- (b) Email Support-** Please write to us at customercare@dmifinance.in (Please ensure to mention your loan account number and contact number in the email). The customer will receive an automated acknowledgement immediately and will receive a response from the team within 3 business days but there would be instances wherein the team may even take longer to respond/reply.

(2) Escalations within the Company:

- (a) Level 1:** A customer can escalate the matter to grievance@dmifinance.in in case he/she is not satisfied with the response received on the query /request or doesn't receive any response from the Customer Care team. Depending on the query/dispute/grievance, a written reply/resolution will be sent to the customer within **5 business days** at his/her registered email id with the Company.
- (b) Level 2:** A customer not satisfied with the response received or doesn't receive any response from Level 1, can further escalate the matter/ query/ complaint to the below:

Name of Grievance Redressal Officer	Mr. Ashish Sarin Senior Vice President - Customer Success Express Building, 3 rd Floor, 9-10, Bahadur Shah Zafar Marg, New Delhi- 110002
Contact No.	011-41204444
Email Address	head.services@dmifinance.in

The Grievance Handling mechanism shall be governed as per the Reserve Bank - Integrated Ombudsman Scheme, 2021 read in conjunction with Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023. The Grievance handling will also take into account the relevant guidelines under the Fair Practices Code prescribed by RBI.

- (3) If the customer is not satisfied with the resolution received or if the customer does not hear from DMI within the prescribed timelines, then he/she may lodge their complaint on RBI CMS portal - <https://cms.rbi.org.in> Or send your complaint form (format) to the below mentioned address:

Centralized Receipt and Processing Centre,
Reserve Bank of India, 4th Floor,
Sector 17, Chandigarh – 160017
Toll free No. – 14448

7. Display of the Policy

For the benefit of the customers, the Company has displayed the Policy prominently, in all the office premises of the Company. The customers can also access the Policy on the website of the Company through the link <https://www.dmifinance.in/grievance-redressal.html>.

8. Process for Filing a Complaint with the Principal Nodal Officer

For any queries or concerns customers can reach us through multiple service channels by clicking on <https://www.dmifinance.in/customer-zone/customer-assistance/> in case customers are not satisfied with the resolution provided by our customer care executive, the details of the Principal Nodal Officer are given below:

a) Principal Nodal Officer of the Company:

The Principal Nodal Officer of the Company may be contacted at:

Name of Principal Nodal Officer	Ashish Sarin Senior Vice President - Customer Success Express Building, 3 rd Floor, 9-10, Bahadur Shah Zafar Marg, New Delhi- 110002
Contact Number	011-41204444
Email Address	grievance@dmifinance.in head.services@dmifinance.in

b) Process for Filing a Complaint with the Principal Nodal Officer:

Step 1. Written Complaint to Regulated Entity at the end of 30 days.

Step 2. If the complaint is rejected wholly or partly by Regulated Entity and customer remain

dissatisfied with response OR No reply is received from Regulated Entity if customer has not approached any other forum.

Step 3. File Complaint with Ombudsman:

- Online on CMS Portal (<https://cms.rbi.org.in>) OR
- Email at CRPC@rbi.org.in; OR
- Physically to Centralized Receipt & Processing Centre (CRPC), Reserve Bank of India, 4th Floor, Sector 17, Chandigarh-160 017. Contact Centre with toll free no – 14448 (Timing - 9:30 am to 5:15 pm).

9. Process Improvements

Based on the findings and validation of complaints handled by the Internal Ombudsman, a thorough root cause analysis is conducted on the top categories of complaints to identify any significant gaps and lapses in existing processes. The insights and feedback gathered from this analysis are systematically shared with all relevant teams. This collaborative approach ensures that corrective actions are implemented effectively to enhance our service quality and minimize the recurrence of similar issues in the future.

10. Review of the GRM

The Board of Directors shall review this Policy at least on yearly basis. In case, there are any regulatory changes requiring modifications to the Policy, the Policy shall be reviewed and amended accordingly.

Any other conditions/ procedure which may not be covered under this Policy shall be read as per the SBR Framework and related guidelines / circulars issued by the RBI.

Annexure B

SALIENT FEATURES OF THE OMBUDSMAN SCHEME AND ADOPTION OF THE SAME BY DMI

Capitalized terms used in this Annexure B but not defined in this FPC shall have the meaning ascribed to them in the Reserve Bank – Integrated Ombudsman Scheme, 2021.

(A) PROCEDURE FOR REDRESSAL OF GRIEVANCES UNDER THE SCHEME

(1) Grounds of Complaints- Any customer aggrieved by an act or omission of DMI resulting in deficiency in service may file a complaint under the Ombudsman Scheme (also referred to as “Scheme”) personally or through an authorised representative.

(2) Grounds for Non-Maintainability of a Complaint

- (a) No complaint for deficiency in service shall lie under the Scheme in matters involving:
 - (i) commercial judgment/commercial decision of DMI;
 - (ii) a dispute between a vendor and DMI relating to an outsourcing contract;
 - (iii) a grievance not addressed to the Ombudsman directly;
 - (iv) general grievances against Management or Executives of DMI;
 - (v) a dispute in which action is initiated by DMI in compliance with the orders of a statutory or law enforcing authority;
 - (vi) a service not within the regulatory purview of the RBI;
 - (vii) a dispute between Regulated Entities;
 - (viii) a dispute involving the employee-employer relationship of DMI;
 - (ix) a dispute for which remedy has been provided in Section 18 of the Credit Information Services (Regulation) Act, 2005;
 - (x) dispute pertaining to customers of Regulated Entities not included in the Scheme.
- (b) A complaint under the Scheme shall not lie unless
 - (i) the complainant had, before making a complaint under the Scheme, made a written complaint to DMI and-
 - (a) the complaint was rejected wholly or partly by DMI, and the complainant is not satisfied with the reply; or the complainant had not received any reply within 30 days after DMI received the complaint; and
 - (b) the complaint is made to the Ombudsman within one year after the complainant has received the reply from DMI to the complaint or, where no reply is received, within one year and 30 days from the date of the complaint.
 - (ii) the complaint is not in respect of the same cause of action which is already-
 - (a) pending before an Ombudsman or settled or dealt with on merits, by an Ombudsman, whether or not received from the same complainant or along with one or more complainants, or one or more of the parties concerned;
 - (b) pending before any Court, Tribunal or Arbitrator or any other Forum or Authority; or, settled or dealt with on merits, by any Court, Tribunal or Arbitrator or any other Forum or Authority, whether or not received from the same complainant or along with one or more of the complainants/parties concerned;
 - (iii) the complaint is not abusive or frivolous or vexatious in nature;
 - (iv) the complaint to the Company was made before the expiry of the period of limitation

prescribed under the Limitation Act, 1963, for such claims;

- (v) the complainant provides complete information as specified in clause 11 of the Scheme;
- (vi) the complaint is lodged by the complainant personally or through an authorised representative other than an advocate unless the advocate is the aggrieved person.

Explanation 1: For the purposes of sub-clause (2)(a), 'written complaint' shall include complaints made through other modes where proof of having made a complaint can be produced by the complainant.

Explanation 2: For the purposes of sub-clause (2)(b)(ii), a complaint in respect of the same cause of action does not include criminal proceedings pending or decided before a Court or Tribunal or any police investigation initiated in a criminal offence.

(3) Procedure for filing Complaints:

- (a) The complaint may be lodged online through the portal designed for the purpose (<https://cms.rbi.org.in>).
- (b) The complaint may also be submitted through electronic mode via email at CRPC@rbi.org.in or in physical mode to Centralized Receipt & Processing Centre (CRPC), Reserve Bank of India, 4th Floor, Sector 17, Chandigarh-160 017.
- (c) The complaint, if submitted in physical form, shall be duly signed by the complainant or by the authorised representative. The complaint shall be submitted in electronic or physical mode in format specified in Annexure-C and containing such information as may be specified by Reserve Bank of India.
- (d) Additionally, a Contact Centre with a toll-free number – 14448 (9:30 am to 5:15 pm) – is also being operationalized in Hindi, English and in eight regional languages to begin with and will be expanded to cover other Indian languages in due course. The Contact Centre will provide information/clarifications regarding the alternate grievance redress mechanism of RBI and to guide complainants in filing of a complaint.

(B) RESOLUTION AND AWARD/ REJECTION UNDER THE SCHEME

(1) Resolution of Complaints:

- (a) The Ombudsman/Deputy Ombudsman shall endeavor to promote settlement of a complaint by agreement between the complainant and the Company through facilitation or conciliation or mediation.
- (b) The proceedings before the Ombudsman shall be summary in nature and shall not be bound by any rules of evidence. The Ombudsman may examine either party to the complaint and record their statement.
- (c) The Company shall, on receipt of the complaint, file its written version in reply to the averments in the complaint enclosing therewith copies of the documents relied upon, within 15 days before the Ombudsman for resolution.
Provided that the Ombudsman may, at the request of the Company in writing to the satisfaction of the Ombudsman, grant such further time as may be deemed fit to file its written version and documents.
- (d) In case the Company omits or fails to file its written version and documents within the time as provided, the Ombudsman may proceed ex-parte based on the evidence available on record and pass appropriate Order or issue an Award. There shall be no right of appeal

to the Company in respect of the Award issued on account of non-response or non-furnishing of information sought within the stipulated time.

- (e) The Ombudsman/ Deputy Ombudsman shall ensure that the written version or reply or documents filed by one party, to the extent relevant and pertaining to the complaint, are furnished to other party and follow such procedure and provide additional time as may be considered appropriate.
- (f) In case the complaint is not resolved through facilitation, such action as may be considered appropriate, including a meeting of the complainant with the officials of the Company, for resolution of the complaint by conciliation or mediation may be initiated.
- (g) The parties to the complaint shall cooperate in good faith with the Ombudsman/ Deputy Ombudsman, as the case may be, in resolution of the dispute and comply with the direction for production of any evidence and other related documents within the stipulated time.
- (h) If any amicable settlement of the complaint is arrived at between the parties, the same shall be recorded and signed by both the parties and thereafter, the fact of settlement may be recorded, annexing thereto the terms of settlement, directing the parties to comply with the terms within the stipulated time.
- (i) The complaint would be deemed to be resolved when:
 - (i) it has been settled by the Company with the complainant upon the intervention of the Ombudsman; or
 - (ii) the complainant has agreed in writing or otherwise (which may be recorded) that the manner and the extent of resolution of the grievance is satisfactory; or
 - (iii) the complainant has withdrawn the complaint voluntarily.

(2) Award by the Ombudsman:

- (a) Unless the complaint is rejected, the Ombudsman shall pass an Award in the event of:
 - (i) non-furnishing of documents/information as per the Scheme; or
 - (ii) the matter not getting resolved under the Scheme based on records placed, and after affording a reasonable opportunity of being heard to both the parties.
- (b) The Ombudsman shall also take into account, in addition, the principles of banking law and practice, directions, instructions and guidelines issued by the RBI from time to time and such other factors as may be relevant, before passing a reasoned Award.
- (c) The Award shall contain, inter alia, the direction, if any, to the Company for specific performance of its obligations and in addition to or otherwise, the amount, if any, to be paid by the Company to the complainant by way of compensation for any loss suffered by the complainant.
- (d) The Ombudsman shall not have the power to pass an Award directing payment by way of compensation, an amount which is more than the consequential loss suffered by the complainant or ₹20 lakh whichever is lower. The compensation that can be awarded by the Ombudsman shall be exclusive of the amount involved in the dispute.
- (e) The Ombudsman may also award a compensation not exceeding ₹1 lakh to the complainant, taking into account the loss of the complainant's time, expenses incurred, harassment and mental anguish suffered by the complainant.
- (f) A copy of the Award shall be sent to the complainant and the Company.

- (g) The Award passed shall lapse and be of no effect unless the complainant furnishes a letter of acceptance of the Award in full and final settlement of the claim to the Company, within a period of 30 days from the date of receipt of the copy of the Award.

Provided that no such acceptance may be furnished by the complainant if he has filed an appeal.

- (h) The Company shall comply with the Award and intimate compliance to the Ombudsman within 30 days from the date of receipt of the letter of acceptance from the complainant, unless it has preferred an appeal.

(3) Rejection of a Complaint:

- (a) The Deputy Ombudsman or the Ombudsman may reject a complaint at any stage if it appears that the complaint made:
 - (i) is non-maintainable under the Scheme; or
 - (ii) is in the nature of offering suggestions or seeking guidance or explanation.
- (b) The Ombudsman may reject a complaint at any stage if:
 - (i) in his opinion there is no deficiency in service; or
 - (ii) the compensation sought for the consequential loss is beyond the power of the Ombudsman to award the compensation as indicated in clause 8(2); or
 - (iii) the complaint is not pursued by the complainant with reasonable diligence; or
 - (iv) the complaint is without any sufficient cause; or
 - (v) the complaint requires consideration of elaborate documentary and oral evidence and the proceedings before the Ombudsman are not appropriate for adjudication of such complaint; or
 - (vi) in the opinion of the Ombudsman there is no financial loss or damage, or inconvenience caused to the complainant.

(C) APPEAL BEFORE THE APPELLATE AUTHORITY:

- (1) There shall not be any right of appeal to the Company for an Award issued for non-furnishing of documents/ information under the Scheme.
- (2) The Company may, if aggrieved by an Award or closure of a complaint under the Schemes, within 30 days of the date of receipt of communication of Award or closure of the complaint, prefer an appeal before the Appellate Authority.
 - (a) Provided that in the case of an appeal by the Company, the period of 30 days for filing an appeal shall commence from the date on which the Company receives the letter of acceptance of Award by the complainant:
 - (b) Provided further that an appeal may be filed by the Company only with the previous sanction of the Chairman or the Managing Director/ Chief Executive Officer or, in their absence, the Executive Director/Official of equal rank.
 - (c) Provided that the Appellate Authority may, if he is satisfied that the Company had sufficient cause for not making the appeal within the time, may allow a further period not exceeding 30 days.
- (3) The complainant may, aggrieved by an Award or rejection of a complaint, within 30 days of the date of receipt of the Award or rejection of the complaint, prefer an appeal before the Appellate Authority, viz. the Executive Director in-Charge of the Department of the RBI administering the Scheme.

Provided that the Appellate Authority may, if he is satisfied that the complainant had sufficient cause for not making the appeal within the time, may allow a further period not exceeding 30 days.

- (4) The Appellate Authority's Secretariat shall scrutinize and process the Appeal.
- (5) The Appellate Authority may, after giving the parties a reasonable opportunity of being heard:
- (a) dismiss the appeal; or
 - (b) allow the appeal and set aside the Award or order of the Ombudsman; or
 - (c) remand the matter to the Ombudsman for fresh disposal in accordance with such directions as the Appellate Authority may consider necessary or proper; or
 - (d) modify the order of the Ombudsman or Award and pass such directions as may be necessary to give effect to the order of the Ombudsman or Award so modified; or
 - (e) pass any other order as it may deem fit.
- (6) The order of the Appellate Authority shall have the same effect as the Award passed by Ombudsman or the order rejecting the complaint under the Scheme, as the case may be.
- (7) **Display of Information:**
- a) DMI shall display prominently, for the benefit of the customers, at the branches/ places where business is transacted, the name and contact details (Telephone/ Mobile numbers as also email addresses) of the Nodal Officer and the name and contact details of the Ombudsman, who can be approached by the customer.
 - b) DMI shall display the salient features of the Scheme (in English, Hindi and Vernacular language) as provided in the RBI Master Direction, at all the offices and branches in such a manner that a person visiting the office or branch has easy access to the information.
 - c) All the above details provided in point (a) and (b) along with a copy of the Scheme should also be prominently displayed on the website of the Company.

(D) PRINCIPAL NODAL OFFICER ("PNO"):

DMI has appointed the Principal Nodal Officer for representation before and furnishing information to RBI Ombudsman in respect of complaints filed against DMI. Details of the PNO are as under:

Name of Principal Nodal Officer	Mr. Ashish Sarin Senior Vice President - Customer Success Express Building, 3 rd Floor, 9-10, Bahadur Shah Zafar Marg, New Delhi-110002
Contact No.	011-41204444
Email Address	grievance@dmifinance.in head.services@dmifinance.in

Annexure- C

FORM OF COMPLAINT (TO BE LODGED) WITH THE NBFC OMBUDSMAN
[Clause 11(2) of the Scheme]
(TO BE FILLED UP BY THE COMPLAINANT)

To:

The Ombudsman

Madam/Sir,

Sub: Complaint against _____ (place of branch or office) of DMI Finance Private Limited

Details of the complaint are as under:

1) Name of the Complainant:

2) Age (years):

3) Gender:

4) Full Address of the Complainant-

Pin Code-

Email (if available)-

Phone No. (if available)-

Mobile Number-

5) Complaint against (Name and full Address of the branch or office of DMI Finance Pvt. Ltd.) -

Pin Code-

6) Nature of relationship/account number (if any) with DMI Finance Pvt. Ltd.

7) Transaction date and details, if available

a) Date of complaint already made by the complainant to the Company:

(Please enclose a copy of the complaint)

b) Whether any reminder was sent by the complainant?: Yes/No

(Please enclose a copy of the reminder)

8) Please tick the relevant box (Yes/No)- Whether your complaint:

(i)	is sub-judice/under arbitration?	Yes	No
(ii)	is made through an advocate, except when the advocate is the aggrieved party?	Yes	No
(iii)	has already been dealt with or is under process on the same ground with the Ombudsman?	Yes	No
(iv)	is in the nature of general complaint/s against Management or Executives of the Company?	Yes	No
(v)	is on account of a dispute between Regulated Entities?	Yes	No
(vi)	involves employer-employee relationship?	Yes	No

9) Subject matter of the complaint:

10) Details of the complaint: (If space is not sufficient, please enclose a separate sheet)

- 11)** Whether any reply has been received from the Company within a period of 30 days of receipt of the complaint by it? Yes/No (if yes, please enclose a copy of the reply)
- 12)** Relief sought from the Ombudsman (Please enclose a copy of documentary proof, if any, in support of your claim)
- 13)** Nature and extent of monetary loss, if any, claimed by the complainant by way of compensation (please refer to clauses 15 (4) & 15 (5) of the Scheme)
- 14)** List of documents enclosed:
- 15) Declaration:**
- (i) I/ We, the complainant/s herein declare that:
 - a) the information furnished above is true and correct; and
 - b) I/ We have not concealed or misrepresented any fact stated above and, in the documents submitted herewith.
 - (ii) The complaint is filed before expiry of period of one year reckoned in accordance with the provisions of 10(2) of the Scheme.

Yours faithfully,

(Signature of Complainant/Authorised Representative)

AUTHORISATION

If the complainant wants to authorise a representative to appear and make submission on her/his behalf before the Ombudsman, the following declaration should be submitted:

I/We hereby nominate Shri/ Smt _____ as my/our authorised representative whose contact details are as below:

Full Address:

Pin Code:

Email:

Phone No.:

Mobile Number:

(Signature of Complainant)
