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Approved by (Chairman of the Board):	15.09.2025
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Preamble

The Reserve Bank of India ("RBI") vide notification no. DOR.CRE.REC.66/21.07.001/2022-23 dated September 02, 2022 has issued Guidelines on Digital Lending and advised that the Board of Directors (hereinafter referred to as "Board") of applicable NBFCs, particularly those engaged in Digital Lending shall formulate and adhere to these new guidelines in its lending business.

Avinash Capital Markets Private Limited (herein referred to as "Company" or "ACMPL") shall adopt all such guidelines prescribed by RBI from time to time and shall make appropriate modifications if any necessary to this Policy to conform to the standards so prescribed. The Company operates under the brand name "brightloans" hence the name used as "brightloans" shall represent Avinash Capital Markets Private Limitedfor all purposes. In compliance with these regulatory requirements and the Fair Practices Code adopted by the Company, the Company has adopted this Digital Lending Policy broadly outlining the outsourcing arrangements entered by the NBFCs and its extant guidelines on outsourcing.

Lending Service Provider (LSP) / Digital Lending Apps (DLAs)

The Company is into digital lending business with mobile and web-based applications with user interface. The web-based application is through the company's website and the mobile based application is through the Company's mobile application made available in both android and ios platforms. However, all such applications whether web-based or mobile based are in-house developed and managed by the Company. Presently, the Company is not engaged with any third-party Digital Lending Apps/ Platforms (DLAs). The Company has however engaged recently one Lending Service Provider (LSP) for recovery and servicing of loans and may engage more such agencies depending on geographies and growth in volumes in the future. It is also an equal likelihood that the Company in order to augment its business, may want to empanel new LSPs with new DLAs who shall assist in customer sourcing and acquisition.

Loan Disbursal, Servicing and Repayment - The Company shall ensure that all loan servicing, repayment, etc., are executed by the borrower directly in the Company's bank account without any pass-through account/ pool account of any third party. That for customers sourced by new DLAs / LSPs, all disbursements are made into the bank account of the borrower except for disbursals covered exclusively under statutory or regulatory mandate (of RBI or of any other regulator), flow of money between the Company for co-lending transactions and disbursals for specific end-use, provided the loan is disbursed directly into the bank account of the end-

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beneficiary. The Company shall ensure that in no case, disbursal is made to a third-party account, including the accounts of LSPs and their DLAs, except as provided for in these guidelines.

Payment of Fees/Charges

The Company shall ensure that any fee, charges etc payable to LSPs are paid directly by the Company and the LSPs are now allowed to charge directly from the customers.

The penal interest/charges levied, if any, on the borrowers shall be based on the outstanding amount of the loan. Further, rate of such penal charges shall be disclosed upfront on an annualized basis to the borrower in the Key Fact Statement (KFS).

Product information – The Company shall ensure that their DLAs or DLAs of their LSPs at on-boarding/ sign-up stage, prominently display information relating to the product features, loan limit and cost, etc., so as to make the borrowers aware of these aspects.

Link to website - The Company shall ensure that DLAs and LSPs have links to the Company's website where further/ detailed information about the loan products, the lender, the LSP, particulars of customer care, link to Sachet Portal, privacy policies, etc. can be accessed by the borrowers. It shall be ensured that all such details are available at a prominent single place on the website for ease of accessibility.

Nodal grievance redressal officer - The Company shall ensure that itself and the engaged LSPs shall have a suitable nodal grievance redressal officer to deal with FinTech/ digital lending related complaints/ issues raised by the borrowers. Such grievance redressal officer shall also deal with complaints against their respective DLAs. Contact details of grievance redressal officers shall be prominently displayed on the websites of the Company, its LSPs and on DLAs and also in the KFS provided to the borrower. Further, the facility of lodging complaint shall also be made available on the DLA and on the website as stated above. It is reiterated that responsibility of grievance redressal shall continue to remain with the Company.

If any complaint lodged by the borrower against the Company or the LSP engaged by the Company is not resolved by the Company within the stipulated period of 30 days, he/she can lodge a complaint over the Complaint Management System (CMS) portal under the Reserve Bank-Integrated Ombudsman Scheme (RB-IOS). For entities currently not covered under RB-IOS, complaint may be lodged as per the grievance redressal mechanism prescribed by the Reserve Bank.

Due diligence and other requirements with respect to LSPs – The Company must conduct enhanced due diligence before entering into a partnership with a LSP for digital lending, taking into account its technical abilities, data privacy policies and storage systems, fairness in conduct with borrowers and ability to comply with regulations and statutes. The Company shall carry out periodic review of the conduct of the LSPs engaged by them. The Company shall impart necessary guidance to LSPs acting as recovery agents to discharge their duties responsibly and ensure that they comply with the Fair Practise Code of the Company and also the extant instructions of RBI in this regard.

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Collection, usage and sharing of data with third parties - The Company shall ensure that any collection of data by its DLA / LSPs is need-based and with prior and explicit consent of the

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borrower having audit trail. In any case, the Company shall also ensure that DLAs desist from accessing mobile phone resources like file and media, contact list, call logs, telephony functions. A one-time access can be taken for camera, microphone, location or any other facility necessary for the purpose of on-boarding/ KYC requirements only, with the explicit consent of the borrower. The borrower shall be provided with an option to give or deny consent for use of specific data, restrict disclosure to third parties, data retention, revoke consent already granted to collect personal data and if required, make the app delete/ forget the data. The purpose of obtaining borrowers' consent needs to be disclosed at each stage of interface with the borrowers. Explicit consent of the borrower shall be taken before sharing personal information with any third party, except for cases where such sharing is required as per statutory or regulatory requirement.

Storage of data - The Company shall ensure that LSPs/DLAs engaged by it do not store personal information of borrowers except some basic minimal data (viz., name, address, contact details of the customer, etc.) that may be required to carry out their operations. Responsibility regarding data privacy and security of the customer's personal information will be that of the Company.

The Company shall maintain defined timelines of storage of data of all customers who have applied for loan. All customer information like his personal demographic details and income details pertaining to the loan application shall be stored in dedicated database services like RDS of any Cloud Server like AWS for a minimum period of 10 years from the date of application or the date of loan disbursal. All document files like bank statement, address proof, payslip, ID card, selfie etc of the customer shall be stored in dedicated storage services like S3 of any Cloud Server like AWS. In relation to any application that has not been rejected/ withdrawn/ cancelled, all document files shall be purged on daily basis after 45 days from the date of application.

Information and files of customers who have applied but not availed the loan, shall be deleted by the Company immediately on receipt of a valid request from the customer without any time limitation. However, for customers who have availed the loan, his personal data and documents may be deleted not earlier than 5 years from the date of loan transaction.

The Company shall ensure that no biometric data is stored/ collected in the systems associated with its DLA and LSPs, unless allowed under extant statutory guidelines. The Company shall ensure that all data is stored only in servers located within India, while ensuring compliance with statutory obligations/ regulatory instructions.

Comprehensive privacy policy - The Company shall ensure that its DLAs and LSPs have a comprehensive privacy policy compliant with applicable laws, associated regulations and RBI guidelines. For access and collection of personal information of borrowers, DLAs /LSPs shall make the comprehensive privacy policy available publicly. Details of third parties (where applicable) allowed to collect personal information through the DLA shall also be disclosed in the privacy policy.

Technology standards – The Company shall ensure that itself and the its LSPs comply with various technology standards/ requirements on cybersecurity stipulated by RBI and other agencies, or as may be specified from time to time, for undertaking digital lending.

Reporting to Credit Information Companies (CICs) - As per the provisions of the Credit Information Companies (CIC) (Regulation) Act, 2005; CIC Rules, 2006; CIC Regulations, 2006

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and related guidelines issued by RBI from time to time, the Company shall ensure that any lending done through their DLAs and/or DLAs of LSPs is reported to CICs irrespective of its nature/ tenor. The Company shall further ensure to report to the CICs any structured digital lending products offered by itself and/or its LSPs over a merchant platform involving short term, unsecured/ secured credits or deferred payments. The Company shall ensure that LSPs, if any, associated with such deferred payment credit products shall abide by the extant outsourcing guidelines issued by the Reserve Bank and be guided by these guidelines.

Loss sharing arrangement in case of default – In case of any contractual agreement such as First Loss Default Guarantee (FLDG) in which the LSP guarantees to compensate up to a certain percentage of default in a loan portfolio, the Company, shall adhere to the provisions of the Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021

Cooling off/ look-up period

The Company shall offer to all its borrowers an explicit option to exit the digital loan by paying the principal and the proportionate interest for the number of days funds utilised by the borrower without any penalty during this period. The Company shall allow a cooling-off period of 1 days to all borrowers from the date of disbursal (non-inclusive) of loan.

Cooling off/ Free-look Policy shall be disclosed on the Company's website and also disclosed in the Key Facts Statement to be shared with every borrower before disbursal of loan.

Disclosures to borrowers –

Annual Percentage Rate (APR) - APR as all-inclusive cost of digital loans for the borrower shall be disclosed upfront by the Company and shall also be a part of the Key Fact Statement.

Key Fact Statement - The Company shall provide a Key Fact Statement (KFS) to the borrower before the execution of the contract in a standardized format for all digital lending products. The KFS shall, apart from other necessary information, contain the details of APR, the recovery mechanism, details of grievance redressal officer designated specifically to deal with digital lending/ FinTech related matter and the cooling-off/ look-up period.

Any fees, charges, etc., which are not mentioned in the KFS cannot be charged by the Company to the borrower at any stage during the term of the loan.

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Digitally signed documents – The Company shall ensure that digitally signed documents viz., KFS, summary of loan product, sanction letter, terms and conditions, account statements, privacy policies of the LSPs/ DLAs with respect to borrowers' data, etc. shall automatically flow to the borrowers on their registered and verified email/ SMS upon execution of the loan contract/ transactions.

List of LSPs – The Company shall prominently publish the list of DLAs, LSPs and the DLAs of such LSPs with the details of the activities for which they have been engaged, on their website.

Details of recovery agent – The Company shall communicate to the borrower, at the time of sanctioning of the loan and at the time of passing on the recovery responsibilities to an LSP or change in the LSP responsible for recovery, the details of the LSP acting as recovery agent who is authorised to approach the borrower for recovery.

Amendment

This policy may be amended or modified in whole or in part, at any time without assigning any reason, whatsoever with the approval of the Board.

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