RAJKOT INVESTMENT TRUST LIMITED

DIGITAL LENDING POLICY

1. PREAMBLE

This Digital Lending Policy ("Policy") has been formulated pursuant to:

- Reserve Bank of India Act, 1934;
- RBI Guidelines on Digital Lending issued from time to time;
- RBI Master Direction – Non-Banking Financial Company – Scale Based Regulation Directions, 2023;
- RBI Master Direction – Know Your Customer (KYC) Directions, 2016;
- Information Technology Act, 2000;
- Prevention of Money Laundering Act, 2002;
- Applicable laws, regulations and RBI circulars.

The Company is committed to conducting digital lending operations in a fair, transparent, secure and customer-centric manner while ensuring compliance with all regulatory requirements.

2. OBJECTIVES

The objectives of this Policy are:

a) To establish a framework for digital lending operations;

b) To ensure transparency and fairness in digital loan origination and servicing;

c) To protect customer interests and personal data;

d) To ensure compliance with RBI digital lending guidelines;

e) To mitigate operational, technology and cyber security risks.

3. APPLICABILITY

This Policy shall apply to:

- Digital lending activities undertaken by the Company;
- Mobile applications;
- Web-based lending platforms;
- Digital channels operated directly by the Company;
- Lending Service Providers (LSPs) engaged by the Company;

- Employees and service providers involved in digital lending operations.

4. DEFINITIONS

Digital Lending

Digital lending means lending involving use of digital channels for customer acquisition, credit assessment, loan sanction, disbursement, servicing or recovery.

Lending Service Provider (LSP)

An agent engaged by the Company to undertake one or more digital lending functions on behalf of the Company.

Digital Lending Application (DLA)

Mobile application or web-based platform used for digital lending services.

Borrower

A person or entity availing a loan through digital channels.

5. GOVERNING PRINCIPLES

The Company shall ensure:

- Transparency in digital lending operations;
- Fair treatment of customers;
- Protection of customer data;
- Responsible lending practices;
- Compliance with RBI regulations;
- Effective grievance redressal mechanisms.

6. CUSTOMER ONBOARDING

The Company shall ensure:

- Customer onboarding through legally permissible digital processes;
- Compliance with RBI KYC requirements;
- Verification of customer identity using approved methods;
- Risk-based customer due diligence.

Digital onboarding may include:

- Aadhaar-based authentication where permitted;

- CKYCR verification;
- Video KYC, where applicable;
- Digital KYC processes permitted by RBI.

7. LOAN SANCTION PROCESS

Prior to loan sanction, the Company shall provide customers with:

- Loan amount;
- Interest rate;
- Annual Percentage Rate (APR);
- Processing fees;
- Penal charges;
- Repayment obligations;
- Cooling-off period (where applicable);
- Terms and conditions.

The customer shall expressly accept the terms before disbursement.

8. KEY FACT STATEMENT (KFS)

The Company shall provide a Key Fact Statement to borrowers containing:

- Loan amount;
- Tenure;
- Interest rate;
- Annual Percentage Rate (APR);
- Processing fees;
- Penal charges;
- Total cost of borrowing;
- Grievance redressal details.

The KFS shall be provided before execution of the loan agreement.

9. LOAN DISBURSEMENT

The Company shall ensure that:

- Loan disbursement is made directly into the borrower’s bank account;
- No pass-through account or pool account is used except where specifically permitted by RBI;
- Disbursement records are maintained accurately.

10. LOAN REPAYMENT

Loan repayments shall be made directly by the borrower to the Company’s designated account.

All repayment terms shall be clearly disclosed before loan disbursement.

11. DATA PRIVACY AND CUSTOMER CONSENT

The Company shall:

- Obtain explicit customer consent before collecting personal data;
- Collect only data necessary for lending purposes;
- Use customer data solely for authorized purposes;
- Maintain confidentiality of customer information.

Consent shall be:

- Specific;
- Informed;
- Explicit;
- Revocable by the customer.

12. RESTRICTIONS ON DATA COLLECTION

The Company and its LSPs shall not access:

- Contact lists;
- Call logs;
- SMS records;
- Media files;
- Biometric information;

except where expressly permitted by law and with customer consent.

The Company shall comply with RBI restrictions regarding mobile application permissions.

13. LENDING SERVICE PROVIDERS (LSPs)

Where LSPs are engaged, the Company shall ensure:

- Appropriate due diligence;
- Written agreements;
- Regulatory compliance;
- Data confidentiality obligations;
- Customer protection measures.

The Company shall remain responsible for activities undertaken by LSPs on its behalf.

14. RECOVERY PRACTICES

The Company shall ensure that:

- Recovery efforts are fair and transparent;
- Borrowers are treated respectfully;
- Harassment or intimidation is prohibited;
- RBI guidelines relating to recovery practices are strictly followed.

Recovery agents shall be appropriately trained and monitored.

15. CUSTOMER COMMUNICATION

All communications shall be clear, accurate and transparent.

Customers shall receive:

- Loan sanction communication;
- Repayment schedule;
- Account statements where applicable;
- Notices regarding any changes in terms and conditions.

17. CYBER SECURITY AND INFORMATION SECURITY

The Company shall implement:

- Access controls;

- Data encryption;
- Secure authentication mechanisms;
- Cyber security monitoring;
- Incident response procedures;
- Vulnerability assessments.

Appropriate safeguards shall be maintained against unauthorized access and cyber threats.

18. FRAUD MANAGEMENT

The Company shall establish mechanisms to:

- Detect fraud;
- Prevent identity theft;
- Monitor suspicious transactions;
- Investigate fraudulent activities.

Customers shall be informed regarding safe digital practices.

19. RECORD MAINTENANCE

The Company shall maintain records relating to:

- Customer onboarding;
- Consent management;
- Loan agreements;
- KFS issuance;
- Disbursement and repayment records;
- Customer complaints.

Records shall be retained in accordance with applicable laws and Company policies.

20. RESPONSIBILITIES

Board of Directors

- Approve the Policy;
- Oversee implementation and compliance.

Senior Management

- Implement operational controls;
- Monitor compliance.

Compliance Officer

- Ensure regulatory compliance;
- Monitor regulatory developments.

Information Security Team

- Ensure cyber security controls;
- Monitor technology risks.

21. AUDIT AND REVIEW

Digital lending operations shall be subject to:

- Internal audit;
- Compliance reviews;
- Information security assessments;
- Regulatory inspections.

Deficiencies identified shall be rectified promptly.

22. REVIEW OF POLICY

This Policy shall be reviewed at least annually or earlier if required due to:

- Regulatory changes;
- Technology developments;
- Business requirements.

23. AMENDMENTS

The Board of Directors may amend this Policy from time to time to ensure compliance with RBI regulations and industry best practices.

24. EFFECTIVE DATE

This Policy shall come into effect from the date of approval by the Board of Directors and shall remain in force until amended or replaced.