

# **EPIMONEY PRIVATE LIMITED**

## **Policy on Fair Lending Practices for Levy of Penal Charges**

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Detailed Policy Document

**EPIMONEY PRIVATE LIMITED**

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<b>Versions</b>	<b>Policy changes</b>	<b>Document Author</b>	<b>Approval Date</b>	<b>Approved By</b>
V1	Initial Policy as per Guidelines on Fair Practices Code for Lenders, dated August 18, 2023	Compliance Team	January 1, 2024	Board of Directors
V2	Changes as per the RBI FAQs on Fair Lending Practice - Penal Charges in Loan Account, dated January 15, 2024	Compliance Team	March 21, 2024	Board of Directors
V3	Changes as per the RBI FAQs on Fair Lending Practice - Penal Charges in Loan Account, dated January 15, 2024	Compliance Team	May 28, 2024	Board of Directors
V4	Renewal with Regulatory changes	Compliance Team	February 6, 2025	Board of Directors
V5	Amendment	Compliance Team	September 3, 2025	Board of Directors
V6	Amendment as per the Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025	Compliance Team	March 16, 2026	Board of Directors
V7	Changes carried out to include and amend certain fee and charges levied to the customers	Compliance Team	April 2, 2026	Board of Directors

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## 1. **INTRODUCTION:**

Epimoney Private Limited (“Company”), is a Non-Deposit taking Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India (RBI) and is inter alia engaged in the business of providing financial assistance to various business entities including small and medium enterprises in the form of facilitating access to various loan products from time to time.

The Company has laid this Policy with reference to the extant of Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025, dated November 28, 2025 [RBI/DOR/2025-26/362 DOR.MCS.REC.No.281/01-01-039/2025-26].

## 2. **OBJECTIVE:**

The intent of levying Penal Charges is to inculcate a sense of credit discipline in the defaulting borrowers. The Policy is intended to ensure reasonableness and transparency in disclosure of Penal Charges charged by the Company to its’ borrowers under its financing products and the quantum thereof, and to ensure that the quantum of Penal Charges for non-compliance of material terms and conditions are reasonable and commensurate to the non-compliance and shall not be discriminatory for a particular loan/ product.

## 3. **FEATURES OF POLICY:**

3.1 Penalty for non-compliance will be charged in case of an event of default as mentioned in the loan agreement(s) and other financing documents (collectively “**Financing Documents**”). Examples of event of default include: -

- (i) Borrowers’ failure to pay to the Company any amount when due and payable on the relevant due date(s) or when demand is made by the Company.
- (ii) Borrowers’ failure in performing any of his/her obligations under the relevant Financing Documents(s) or for the breach of any of the terms or conditions of the Financing Documents.

3.2 The Penal Charges in case of loans sanctioned to ‘individual borrowers, for purposes other than business’, shall not be higher than Penal Charges to non-individual borrowers for similar non-compliance of material terms and conditions of the Financing Documents.

## 4. **CATEGORY OF PRODUCTS AND APPLICABLE PENAL,DEFAULT AND OTHER CHARGES**

### 4.1 **Term Loans:**

- a) **Penal Charges (defined below):** Upto **36%** per annum on the EMI/s overdue amounts for the prorated tenor of days in default.  
“**Penal Charges**” means the charges payable by the borrower in the event of borrower’s failure to comply with any of the terms of sanction of the Facility or failure to pay the EMIs accruing due to the Company, as per the Financing Documents.
- b) **Processing Fee:** Upto **5%** of the total loan amount.  
“**Processing Fee**” means the fee charged by the Company for processing a loan application.
- c) **Documentation Charges:** Upto **4%** of the total loan amount.  
“**Documentation Charges**” means the charges levied by the Company to recover the incremental upfront documentation efforts and are based on the operational complexity and the extent of due diligence required for different loan ticket sizes.

- d) **NACH Activation Fee:** Upto **INR 500** on every NACH activation.  
**“NACH Activation Fee”:** means the fee levied by the Company for registering and activating a customer’s mandate under the National Automated Clearing House (NACH) system to enable automated debit of loan repayments.
- e) **Bounce Charges (In Rs. / Per bounce):** Upto **INR 900/-** per bounce.  
**“Bounce Charges”** means the amount payable by the borrower to the Company as a penalty where the Payment instrument issued by the borrower is not honored by the issuing banks.
- f) **Late Payment Collection Charges:** Upto **INR 1,000** if the loan amount is less than **INR 10 lakhs**, Upto **INR 1,500** if the loan amount is equal to and greater than **INR 10 lakhs** but less than **15 Lakhs**, and Upto **INR 2,000** if the loan amount is equal to and greater than **INR 15 lakhs**. LPC shall be charged after 3 days of due date for initiating collection proceedings.
- g) **Foreclosure Charges:** Upto **5%** of the Principal outstanding amount that is proposed to be foreclosed before the expiry of due date.
- h) **Mandate Maintenance Charge:** Upto **INR 1,000 per month** until the mandate is reactivated,  
**“Mandate Maintenance Charge”** shall mean a mandatory charge for those customers who have not activated their NACH on or before EPI/repayment due date.
- i) **Bank Account Swap:** Upto **INR 1,000** per instance,  
**“Bank Account Swap”** shall mean such charge wherein the customer wants to change his/her bank account for EPI/repayment of loan.
- j) **Legal Charges:** At actuals.
- k) **Priority Credit Program Fee:** Upto **2% p.a.** of the total loan amount,  
**“Priority Credit Program Fee”** means the fee charged by the Company to the customer for processing, arranging, and administering credit guarantee coverage under applicable government-backed schemes, including but not limited to CGTMSE and MUDRA, and for undertaking related documentation, coordination, and compliance activities with the concerned guarantee agency.

#### 4.2 **Supply Chain Finance:**

- a) **Penal Charges:** Upto **36%** per annum on the Principal and Interest overdue amount for the prorated tenor of days in default.  
\* The Principal and Interest overdue shall be inclusive of all Facility tranches drawn and overdue for the payment to the Company post the Due Date.
- b) **Processing Fee:** Upto **5%** of the total loan amount.  
**“Processing Fee”** means the fee charged by the Company for processing a loan application.
- c) **Documentation Charges:** Upto **4%** of the total loan amount.  
**“Documentation Charges”** means the charges levied by the Company to recover the incremental upfront documentation efforts and are based on the operational complexity and the extent of due diligence required for different loan ticket sizes.
- d) **NACH Activation Fee:** Upto **INR 500** on every NACH activation.  
**“NACH Activation Fee”:** means the fee levied by the Company for registering and activating a customer’s mandate under the National Automated Clearing House (NACH) system to enable automated debit of loan repayments.

- e) **Bounce Charges (In Rs. / Per bounce):** Upto **INR 900/-** per bounce.  
"Bounce Charges" means the amount payable by the borrower to the Company as a penalty where the Payment instrument issued by the borrower is not honored by the issuing banks.
- f) **Late Payment Collection Charges:** Upto **INR 1,000/-** after 3 days of invoice repayment due date for initiating collection proceedings. Wherever grace period is permitted, the said charges shall be levied after the expiry of the grace period only.
- g) **Foreclosure Charges:** Upto **5%** of the Principal outstanding amount proposed to be foreclosed before the expiry of due date.
- h) **Mandate Maintenance Charge:** sssssUpto **INR 1,000 per month** until the mandate is reactivated.  
"Mandate Maintenance Charge" shall mean a mandatory charge for those customers who have not activated their NACH on or before EPI/repayment due date.
- i) **Bank Account Swap:** Upto **INR 1,000** per instance.  
"Bank Account Swap" shall mean such charge wherein the customer wants to change his/her bank account for EPI/repayment of loan.
- j) **Legal Charges:** At actuals.
- k) **Priority Credit Program Fee:** Upto **2% p.a.** of the total loan amount.  
"Priority Credit Program Fee" means the fee charged by the Company to the customer for processing, arranging, and administering credit guarantee coverage under applicable government-backed schemes, including but not limited to CGTMSE and MUDRA, and for undertaking related documentation, coordination, and compliance activities with the concerned guarantee agency.

## **5. OTHER SALIENT POINTS:**

- 5.1 There shall be no capitalization of Penal Charges i.e., no further interest computed on such charges.
- 5.2 The quantum and reason for Penal Charges shall be clearly disclosed by the Company to the borrowers in the Financing Documents including the most important terms & conditions / Key Fact Statement (KFS) as applicable, in addition to being displayed on the Company website under Policy on Fair Lending Practices for Levy of Penal Charges.
- 5.3 Whenever reminders for non-compliance of material terms and conditions of the facility are sent to borrowers, the applicable Penal Charges shall be communicated to them. Further, any instance of levy of Penal Charges and the reason therefore shall also be communicated to the borrowers.

## **6. REVIEW OF POLICY:**

This Policy will be reviewed by the Board on an annual basis unless there is any regulatory requirement to amend this Policy in the interim.