



Digital Lending Policy

V.02

**DOCUMENT CONTROL:**

Policy / Document Title	Digital Lending Policy
Applicable To	Mufin Green Finance Limited (“MGFL” / “the Company”)
Current Version	V.02
Current Status	Final
Current Effective Date	02 nd September, 2026
Next Review Date	01 st September, 2027
Document Owner	Mr. Sumit Garg

VERSION & APPROVAL HISTORY:

Version	Created / Revised By	Reviewed By	Approved By	Approval Date	Effective Date	Change Description
V.01	Mr. Madhur Goel	Mrs. Gunjan Jain and Mr. Mayank Pratap Singh	Board of Directors	14 th November, 2024	14 th November, 2024	Initial version
V.02	Mr. Sumit Garg	Mrs. Gunjan Jain, Ms. Shruti Priya and Mr. Prakash Pogaku	Board of Directors	02 nd September, 2026	02 nd September, 2026	Amended pursuant to Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Directions, 2025.



TABLE OF CONTENTS

1. INTRODUCTION	4
2. PREAMBLE	4
3. PURPOSE AND SCOPE	4
4. DEFINITIONS	4
5. GOVERNANCE FRAMEWORK AND RBI-COMPLIANT STRUCTURE	5
6. DIGITAL ONBOARDING, KYC AND CUSTOMER AUTHENTICATION	5
7. DIGITAL LOAN APPLICATION, ASSESSMENT AND APPROVAL	6
8. KEY FACT STATEMENT, DIGITAL AGREEMENTS AND BORROWER CONSENT	6
9. COOLING PERIOD	7
10. DISBURSEMENT AND REPAYMENT ARCHITECTURE	7
11. COLLECTIONS & RECOVERY AGENT DISCLOSURE	7
12. LSP / DLA/CO-LENDING PARTNER'S ENGAGEMENT & DUE DILIGENCE	7
13. DATA COLLECTION, USAGE, STORAGE & PRIVACY	8
14. PROHIBITION ON PREDATORY PRACTICES, FORCED ACCESS AND MISCONDUCT ..	8
15. TECHNOLOGY STANDARDS & CYBERSECURITY	9
16. DATA PRIVACY:	9
17. REPORTING OF DIGITAL LENDING APPS TO RBI (CIMS PORTAL)	9
18. REPORTING TO CREDIT INFORMATION COMPANIES	9
19. DEFAULT LOSS GUARANTEE (DLG)	9
20. MONITORING MECHANISM FOR LOAN PORTFOLIOS ORIGINATED THROUGH LENDING SERVICE PROVIDERS (LSPS).	9
21. WEBSITE DISCLOSURE REQUIREMENTS	10
22. MIS, MONITORING, FRAUD CONTROL AND REPORTING	11
23. GRIEVANCE REDRESSAL AND CUSTOMER SUPPORT	11
24. REGULATORY COMPLIANCE AND PRECEDENCE	11
25. POLICY REVIEW	12



1. INTRODUCTION:

In line with the Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Directions, 2025, under Chapter-III (Digital Lending), the Company needs to update regulatory framework governing the digital lending activities being undertaken by the Company. The guidelines introduced specific requirements governing the Lending Service Provider (LSP) agreements, with a focus on consumer protection, fraud prevention, technology and data security, regulatory reporting, default loss guarantee arrangements. The framework also mandates greater transparency, direct transfer of loan proceeds into the borrower's bank account, and strict compliance with applicable data privacy and protection requirements.

2. PREAMBLE:

Mufin Green Finance Limited (“MGFL” or “the Company”), a Non-Deposit taking Middle Layer Non-Banking Financial Company, is committed in conducting all its digital lending activities in strict compliance with the Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Directions, 2025, issued vide circular RBI/DOR/2025-26/347 DOR.CRE.REC.No.266/07-01-008/2025-26, dated November 28, 2025.

This Policy establishes a comprehensive governance, operational, technological, data-handling and customer protection framework that shall govern all digital lending activities undertaken:

- a) Directly by the Company (self-owned DLAs, web portals, IT systems), and
- b) Through Lending Service Providers (LSPs) and their Digital Lending Apps (DLAs) engaged by the Company.
- c) Co lending Partners

The Company upholds the principles of transparency, fair conduct, responsible lending, data minimization, secure processing, informed consent, and customer protection.

3. PURPOSE AND SCOPE

The purpose of this Policy is to establish a comprehensive governance and compliance framework for all digital lending activities of the Company. It applies to the entire digital lending lifecycle, including digital customer onboarding, KYC verification, digital loan application processing, credit assessment and approval, loan disbursement and repayment, loan servicing, monitoring and collections, grievance redressal, data collection, usage, storage, retention and processing, engagement and oversight of Lending Service Providers (LSPs) and Digital Lending Apps (DLAs), regulatory reporting to the Reserve Bank of India (RBI), and the management of Default Loss Guarantee (DLG) arrangements, monitoring mechanism for Loan Portfolios Originated through Lending Service Providers (LSPs) wherever applicable.

This Policy extends to all digital systems, platforms and technological infrastructure owned, hosted, licensed, rented or accessed by the Company, and governs every workflow, process, outsourced activity and data flow connected with digital lending operations. It is binding upon all employees, officers and directors of the Company, as well as all LSPs, DLAs, Co-lending Partners, outsourced agencies, third-party service providers and their authorized representatives who perform or support any function related to digital lending, or any other entity offering digital lending products or service to customers or facilitating digital lending as a support service (“Member”) in respect of their digital lending activities. All such individuals and entities are required to adhere strictly and continuously to the provisions of this Policy.

4. DEFINITIONS

Digital Lending Apps (“DLAs”): DLAs are mobile and/or web-based applications, on a standalone basis or as a part of suite of functions of an application with user interface that facilitate digital lending



services. It includes Company's own apps and those of LSPs engaged by the Company for credit facilitation, in conformity with RBI's extant outsourcing guidelines.

Digital Lending: means a remote and automated lending process, largely by use of seamless digital technologies for customer acquisition, credit assessment, loan approval, disbursement, recovery, and associated customer service.

Default Loss Guarantee (DLG): means a contractual arrangement, called by whatever name, between the Company and another entity, under which the latter guarantees to compensate the Company, for the loss due to default up to a certain percentage of the loan portfolio of the Company, specified upfront. Any other implicit guarantee of similar nature, linked to the performance of the loan portfolio of the Company and specified upfront, shall also be covered under the definition of DLG.

Lending Service Provider (LSP): means an agent of the Company (including another lender) who carries out one or more of digital lending functions, or part thereof, in customer acquisition, services incidental to underwriting and pricing, servicing, monitoring, recovery of specific loan or loan portfolio on behalf of the Company in conformity with extant outsourcing guidelines issued by the Reserve Bank.

Co-Lending: refers to an arrangement, formalized through an ex-ante agreement, between a RE which is originating the loans ('originating RE') and another RE which is co-lending ('partner RE'), to jointly fund a portfolio of loans, comprising of either secured or unsecured loans, in a pre-agreed proportion, involving revenue and risk sharing.

5. GOVERNANCE FRAMEWORK AND RBI-COMPLIANT STRUCTURE

The Company shall adopt a governance structure ensuring that digital lending operations remain fully compliant with RBI's Digital Lending Guidelines. All digital processes shall at all times remain under the direct control, supervision and monitoring of the Company, and no outsourcing arrangement, technology integration or third-party involvement shall dilute or transfer any regulatory responsibility of the Company.

Senior management shall ensure that all digital platforms and interfaces accurately reflect the Company's approved interest rates, disclosures, terms, KFS, loan agreements, sanction letters, and customer-conduct standards.

The Chief Compliance Officer together shall conduct periodic reviews of digital processes, information-security systems, partner integrations, and data-handling practices to ensure continuous regulatory adherence.

The Board shall be kept consistently informed through periodic reports covering the performance of digital lending channels, technology and cybersecurity risks, customer grievances, digital fraud patterns, and key compliance indicators.

6. DIGITAL ONBOARDING, KYC AND CUSTOMER AUTHENTICATION

The Company shall implement RBI-compliant digital onboarding mechanisms to ensure that customer identity verification is carried out strictly in accordance with the applicable RBI Master Direction – Know Your Customer (KYC) Direction, 2016, as amended from time to time.

Digital onboarding may be facilitated through Aadhaar-based authentication, CKYC, video-based KYC, digital document upload or any other mode permitted by law; however, all decisions relating



to KYC verification, authentication, acceptance or rejection shall be taken solely by the Company. Lending Service Providers (LSPs) and Digital Lending Apps (DLAs) and Co-lending Partners may support the customer in uploading or transmitting documents, or may provide the front-end user interface. The ultimate responsibility for ensuring compliance with applicable KYC requirements, including customer identification, verification, authentication and acceptance or rejection of the customer, shall remain with the Company.

The Company shall ensure that no customer is onboarded digitally without full completion of the mandated KYC requirements. All digital KYC artefacts, including video recordings, photographs, documents and audit trails, shall be stored securely in compliance with RBI's data storage and security requirements. Access to such artefacts shall be strictly controlled and monitored. One-time access to device features such as the camera, microphone or location shall be taken only with the borrower's explicit, informed consent and strictly for the limited purpose of facilitating KYC or onboarding.

7. DIGITAL LOAN APPLICATION, ASSESSMENT AND APPROVAL

All digital platforms, including those operated through LSPs and DLAs, co-lending partners shall present borrowers with complete, accurate, and easily understandable disclosures covering eligibility criteria, required documentation, interest rates, fees and charges, repayment structures, penal charges the applicable cooling-off period, and the grievance redressal mechanism. Borrowers shall be given full opportunity to review all loan terms and conditions in detail prior to accepting the loan. These disclosures shall be prominently displayed on the digital interface before any loan execution or acceptance.

All credit assessment and underwriting decisions shall be undertaken solely by the Company. LSPs and DLAs and Co-lending Partners are strictly prohibited from carrying out, influencing or participating in underwriting, credit scoring, approval, sanction or rejection of loan applications. While the Company may deploy automated tools, algorithms or rule-based engines to assist in the credit assessment process, such tools shall operate entirely under the Company's control, and their logic, parameters and outputs shall be documented, periodically reviewed and subjected to audit.

Approval, rejection, and communication of the credit decision shall be executed by the Company through its official systems, and borrowers shall receive a clear digital intimation of the outcome, along with any required disclosures.

Where the Company uses automated decisioning tools, algorithms, scorecards or rule-based engines for credit assessment, such tools shall operate within parameters approved and controlled by the Company. The Company shall maintain appropriate documentation relating to the relevant methodology, parameters and decisioning framework and shall periodically review, validate and audit such systems to ensure their continued effectiveness, fairness, compliance and alignment with the Company's approved credit policies.

8. KEY FACT STATEMENT, DIGITAL AGREEMENTS AND BORROWER CONSENT

The Company shall provide every borrower with a Key Fact Statement (KFS) clearly disclosing the complete, transparent and itemized cost of the loan, including Annual Percentage Rate (APR), interest charges, processing fees, taxes, third-party charges, penal charges and the total cost of credit. The KFS shall require explicit borrower acknowledgment and shall be automatically delivered to the borrower through secure digital channels.

Loan agreements shall be executed digitally in a legally valid and enforceable manner and digitally signed copies of the sanction letter, loan agreement, terms and conditions and privacy policies shall



be sent immediately to the borrower's registered contact details. Borrower consent shall be obtained through secure, timestamped digital mechanisms and shall be free, informed and purpose-specific. No clause shall be hidden, pre-selected, ambiguous or obfuscated.

Consent shall be obtained distinctly for data access, use, storage, sharing and collection. DLAs and LSPs shall not seek or obtain blanket consent or permissions beyond what is strictly necessary for onboarding and loan processing.

9. COOLING PERIOD

The Company shall provide every borrower with a Board-approved cooling-off period in accordance with RBI's Digital Lending Directions. The cooling-off period shall not be less than one day and shall allow the borrower to exit the loan without penalty. If a borrower chooses to withdraw during this period, they shall be required to repay only the principal amount and the proportionate APR corresponding to the period for which the loan was actually availed. No penalty, additional interest or extra charge shall be levied. The Company may retain only a full one-time processing fee, provided that such fee was clearly disclosed in the Key Fact Statement (KFS).

10. DISBURSEMENT AND REPAYMENT ARCHITECTURE

The Company shall ensure that all loan disbursements are made only into the borrower's bank account in full compliance with RBI's Digital Lending Directions. Disbursement into third-party, proxy, intermediary, merchant or pooled accounts is strictly prohibited.

Similarly, all repayments shall be credited directly into the Company's bank account, and no LSP, DLA or third-party shall collect or route repayments on behalf of the Company. In case of Co-lending arrangement, all repayments shall be routed through an escrow account. The Company shall also ensure that NACH, UPI mandates or payment instruments comply with NPCI guidelines and do not enable unauthorized debits, remote device control or indirect access to the borrower's bank account. All settlement flows shall remain transparent, system-recorded and readily available for audit, regulatory review and internal monitoring.

Any fees or payments due to the LSP must be paid by the RE itself and must not be charged to the borrower by the LSP.

11. COLLECTIONS & RECOVERY AGENT DISCLOSURE

In accordance with RBI's Digital Lending Directions, the Company shall ensure that borrowers are informed in advance whenever a recovery agent is appointed or replaced. No recovery agent shall initiate contact with a borrower unless prior intimation has been provided by the Company through an authorized communication channel.

All recovery agents engaged through DLAs or LSPs shall comply strictly with the RBI Recovery Agent Guidelines, the Company's Collection Policy and all applicable conduct standards. Harassment, intimidation, coercive practices, unauthorized data usage or any form of misconduct shall be strictly prohibited, and any violation shall result in immediate corrective action, including blacklisting of the agency or individual.

12. LSP / DLA/CO-LENDING PARTNER'S ENGAGEMENT & DUE DILIGENCE

The Company shall conduct mandatory due diligence on every Lending Service Provider (LSP)/ in accordance with RBI Directions. This assessment shall cover the LSP's technical capability, data-protection and security systems, business conduct history, recovery practices and financial stability. No LSP shall be onboarded unless it meets the Company's standards of operational integrity and regulatory compliance.



Outsourcing to an LSP shall not dilute or transfer any regulatory responsibility of the Company. All digital lending functions performed through LSPs shall remain under the Company's full control and oversight. No DLA or LSP shall use the Company's name, branding or license without written authorization.

The Company shall carry out periodic reviews as may be determined on case to case basis of each LSP's compliance, cybersecurity posture, grievance-handling quality and data-access practices. Any gaps shall be addressed through corrective action.

For LSPs operating with multiple lenders, the Company shall ensure that borrowers are provided an unbiased view of available loan options. Such LSPs must disclose unmatched lenders, avoid dark patterns and apply consistent, transparent borrower-matching rules.

The Lenders will be sharing the risks and rewards as per the Co-Lending Arrangement negotiated between both parties prior to any loan disbursements.

Based on the respective interest rate and proportion of risk sharing, an all-inclusive rate is to be offered to the customer as per the Co-Lending Arrangement.

The processing fee and other costs and charges are to be shared in a ratio as agreed between the parties and listed in the Co-Lending Arrangement.

13. DATA COLLECTION, USAGE, STORAGE & PRIVACY

The Company shall collect only need-based data required for onboarding, KYC, underwriting, servicing or regulatory purposes, and only on the basis of the borrower's explicit, informed and purpose-specific consent recorded through a verifiable audit trail. Borrowers shall always have the option to deny or restrict nonessential data permissions.

All data shall be stored strictly on servers located in India, and no biometric data shall be retained. The Company shall maintain defined data-retention periods, implement approved destruction protocols and maintain documented breach handling procedures.

The Company shall publish a clear Privacy Policy describing the data it collects, the purposes of use, sharing with third parties, retention practices, borrower rights and the security measures adopted to protect personal information. This Privacy Policy shall be accessible on all digital platforms of the Company and its LSPs.

The Company shall maintain and implement documented information security and personal data breach management procedures, including appropriate mechanisms for identification, containment, investigation, remediation and reporting of data breaches or security incidents to the relevant authorities and affected persons, where required under applicable law.

14. PROHIBITION ON PREDATORY PRACTICES, FORCED ACCESS AND MISCONDUCT

The Company shall ensure that digital lending is free from predatory, coercive or manipulative behavior. DLAs or LSPs acting on behalf of the Company shall not access contact lists, photo galleries, location data or other sensitive information without explicit, purpose-specific consent, and shall never threaten borrowers or misuse data.

Collection efforts through digital channels shall adhere strictly to the Company's Collection Policy and RBI guidelines on recovery conduct. No digital communication shall harass, intimidate or mislead borrowers. Any breach by an LSP or DLA shall be treated as a breach by the Company itself.



15. TECHNOLOGY STANDARDS & CYBERSECURITY

In accordance with Para 15 of the RBI Digital Lending Directions, the Company shall ensure that all technology systems used in digital lending comply with the RBI Cybersecurity Framework, applicable digital payment security norms and the information-security standards prescribed under the IT Act, 2000. The same standards shall be adhered to by all LSPs and DLAs engaged by the Company. Robust safeguards, monitoring mechanisms and periodic reviews shall be maintained to ensure the security, integrity and resilience of all digital lending platforms.

16. DATA PRIVACY:

All data obtained must be with the express consent of the borrower. The Company are responsible for data privacy, ensuring minimal data storage by LSPs, clear policies on storage of customer data, no biometric data collection or storage unless and to the extent required by law, and that all data is stored in India. The Company must also publish a comprehensive privacy policy on their websites disclosing details of third parties, if applicable, allowed to collect personal information through the DLAs.

17. REPORTING OF DIGITAL LENDING APPS TO RBI (CIMS PORTAL)

The Company shall report to the RBI all Digital Lending Apps (DLAs) operated by the Company as well as those operated through its LSPs as and when there is update. Such reporting shall include the DLA name, application links, ownership details, grievance redressal officer particulars and all other required information. The Company shall also promptly report any addition, modification or removal of a DLA.

The Chief Compliance Officer shall certify the accuracy and completeness of all DLA-related submissions, including compliance of the DLA with RBI's Digital Lending Directions, adherence to data-storage requirements, accuracy of website disclosures and conformity with privacy, consent and data-handling norms.

18. REPORTING TO CREDIT INFORMATION COMPANIES

The Company shall report all loans sourced through its DLAs and LSPs or co-lending partners to the Credit Information Companies, irrespective of the loan tenor or structure. All such reporting shall be timely, accurate and compliant with applicable CIC guidelines.

19. DEFAULT LOSS GUARANTEE (DLG)

The Company shall ensure full compliance with RBI's rules on Default Loss Guarantee (DLG). Any DLG arrangement shall be entered into only with a company, the DLG cover shall not exceed five percent of a fixed, non-dynamic DLG set, and the arrangement shall not be treated as a substitute for the Company's own credit risk assessment.

20. MONITORING MECHANISM FOR LOAN PORTFOLIOS ORIGINATED THROUGH LENDING SERVICE PROVIDERS (LSPS).

The Company shall establish and maintain a robust monitoring mechanism for all loan portfolios originated with the support of Lending Service Providers ("LSPs") to ensure compliance with applicable regulatory requirements, the terms of the respective LSP agreements, and the Company's credit risk management framework.

For this purpose, the Company shall monitor all LSP-originated loan portfolios through its Loan Management System ("LMS"), which shall serve as the primary system of record for all loans originated through digital lending arrangements. The LMS shall capture and maintain, inter alia, customer information, loan sanction details, disbursements, repayment schedules, outstanding balances, delinquency status, defaults, recoveries, write-offs, portfolio performance, Default Loss



Guarantee (DLG)/First Loss Default Guarantee (FLDG), where applicable, and such other information as may be required for effective portfolio monitoring.

The Company shall periodically generate LSP-wise reports and Management Information System (MIS) through the LMS by applying appropriate filters for each LSP.

The Credit, Collections, Compliance, Risk Management and other concerned departments shall periodically review the portfolio performance and exception reports generated through the LMS. Any adverse trends, significant increase in delinquencies, deviations from approved credit parameters, non-compliance with contractual obligations, operational deficiencies or any other material concerns relating to an LSP shall be escalated to the Management for appropriate review and corrective action.

The Company shall undertake periodic monitoring of month-end outstanding portfolios, collection performance, ageing of receivables and follow-up actions through the LMS.

The Company shall also monitor the performance of DLG/FLDG arrangements, wherever applicable, including eligible portfolio identification, coverage limits, invocation timelines, recoveries and compliance with applicable regulatory requirements.

The monitoring mechanism shall be reviewed periodically and strengthened as may be considered necessary by the Management in light of regulatory changes, business requirements, portfolio performance and emerging risks.

Data Storage and Data Governance in respect of LSPs

The Company shall ensure that customer data is stored and processed in compliance with applicable laws, regulatory requirements and the Reserve Bank of India directions relating to digital lending.

The Company shall ensure that:

- (a) LSPs do not store any personal information of borrowers other than such minimum basic information (such as name, address and contact details) as may be necessary for carrying out activities specifically authorised under the agreement executed with the Company;
- (b) responsibility for the privacy, confidentiality and security of borrowers' personal information shall remain with the Company at all times;
- (c) the Company shall maintain clear internal guidelines governing the categories of customer data that may be collected and stored, permissible usage of such data, retention period, access controls, data destruction procedures, security breach management and other information security measures;
- (d) no biometric data shall be collected or stored by the Company or its LSPs except where specifically permitted under applicable law or regulatory directions;
- (e) all customer data shall be stored only on servers located in India
- (f) periodic verification shall be undertaken to ensure that the Company's LSPs comply with the data storage, privacy, security and confidentiality obligations prescribed under the applicable regulatory framework and the respective LSP agreements.

21. WEBSITE DISCLOSURE REQUIREMENTS

The Company shall display on its website a list of all digital lending products, a list of all DLAs (both own and of LSPs), and a list of all LSPs along with a description of their activities. The website shall also provide the details of the Grievance Redressal Officer, links to the RBI CMS Portal and the Sachet Portal, the Company's Privacy Policy, Terms and Conditions, Penal Charges Policy, and



information on the Cooling-off Period. All LSPs and DLAs associated with the Company shall link back to the Company's website to ensure transparency and accessibility of information.

22. MIS, MONITORING, FRAUD CONTROL AND REPORTING

The Company shall maintain robust MIS frameworks enabling real-time tracking of:

- digital applications,
- approval rates,
- disbursements,
- repayments,
- delinquency flows,
- data access logs,
- customer grievances,
- fraud patterns.

Digital fraud prevention systems shall include device-based risk scoring, anomaly detection, velocity checks, identity-fraud controls and continuous monitoring.

The Company shall submit regulatory returns, supervisory reports and special statements as required by the RBI in connection with digital lending.

23. GRIEVANCE REDRESSAL AND CUSTOMER SUPPORT

The Company shall provide borrowers with seamless digital grievance channels accessible through the website, email, telephone and the DLA. Complaints shall be resolved in a transparent, time-bound and fair manner, consistent with the Grievance Redressal Mechanism and the RBI Integrated Ombudsman Scheme.

A Nodal Grievance Redressal Officer shall be appointed, whose details will be displayed on the website of the Company, included its LSP, on the DLA and in the Key Fact Statement (KFS). All complaints shall be resolved within 30 days

The Company ensure to provide a (i) KFS; (ii) share relevant information such as summary of loan product, terms and conditions, account statements, etc.; (iii) publish details of its digital lending products, LSPs, particulars of the Company's customer care, link to RBI's complaint management system and privacy policies, etc. on its website to support customer.

Borrowers shall be informed at every digital touchpoint of their right to escalate unresolved matters to the RBI Ombudsman. The Company shall ensure regular review of digital grievance data to identify systemic issues and adopt corrective measures.

If a complaint is unresolved or rejected, the borrower may approach the RBI Integrated Ombudsman Scheme (RB-IOS) via the RBI CMS Portal or the RBI CRPC address.

24. REGULATORY COMPLIANCE AND PRECEDENCE

In the event of any conflict or inconsistency between the provisions of this Policy and the applicable laws, rules, regulations, notifications, circulars or directions issued by the Reserve Bank of India (RBI) or any other competent authority, the provisions of the applicable law or regulatory requirements shall prevail.



25. POLICY REVIEW

This Policy shall be reviewed periodically, and at least once every year, or earlier, if required due to any change in applicable laws, regulations, RBI Directions or the business requirements of the Company. Any amendments to the Policy shall be placed before the appropriate authority for review and approval.
