Suryoday Small Finance Bank Limited

Credit Card Policy

Version: FY: 26-27/2.0

Policy Version Control:

Version	Board Approval Date	Author	Maintained by
FY 25-24/1.0	12th December 2024	Vishal Singh	Risk & Policy
FY 25-26/1.0	06th November 2025	Vishal Singh	Risk & Policy
FY 26-27/1.0	07th May 2026	Vishal Singh	Risk & Policy
FY 26-27/2.0	29th Sept 2026	Aniket Sapre & Sasidhar Vavilala	Risk & Policy

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1. Objective:

The objective of this policy is to provide a comprehensive framework governing the Bank's offering of various credit products other than for the purpose of Working Capital. The Policy presently covers Credit Card and Credit Line offered on UPI (CLOU) rails with charge card form factor, enabling the Bank to offer a range of credit cards variants including secured credit cards, co-branded credit cards and UPI linked credit facilities to meet customers' payment and credit requirements in accordance with applicable regulatory guidelines.

2. Scope of the Policy:

The policy covers the role and responsibilities, governance framework of the Bank in issuance of credit cards and co-branded credit cards, Credit Line on UPI Products as required by Reserve Bank of India (Small Finance Banks Credit Cards and Debit Cards: Issuance and Conduct) Directions, 2025 and NPCI guidelines applicable from time to time.

3. Definitions:

In this Policy, unless the context otherwise requires, the terms herein shall bear the meanings assigned to them as per the Reserve Bank of India (Small Finance Banks – Credit Cards and Debit Cards: Issuance and Conduct) Directions, 2025 and Reserve Bank of India (Small Finance Banks – Credit Facilities) Third Amendment Directions, 2026 dated 23 June 2026.

i. Add-on Credit Card means a supplementary credit card to the principal or primary credit card, issued to person/s with predefined relationship with the primary cardholder, within the credit limits and liability of the latter, subject to such terms and conditions as stipulated by the card-issuer.
ii. Annual Percentage Rate is the annual cost of credit to the cardholder which includes interest rate and all other charges associated with the credit card under different scenarios based on card features.
iii. Billing Cycle/Billing Period is the regular length of time between closing dates of two consecutive bills raised by the card-issuer.
iv. Business Credit Cards are issued to business entities/individuals for the purpose of business expenses with specified terms and conditions and not for personal use.
v. Cardholders – A person to whom a card is issued or one who is authorized to use an issued card.
vi. Card-issuers - Banks which issue debit or credit cards and NBFCs which have been permitted by RBI to issue credit cards in India.
vii. Card Loyalty/Reward Programme/s are those schemes linked to a credit card or debit card whereby the card-issuer or associated merchant establishments, upon use of the card/s, offer digital coupons, points, discounts, cash backs or other benefits having monetary value that can be used/redeemed for the same transactions or other future transactions after accumulation.
viii. Charge Card is a type of credit card where the user has to pay the billed amount in full on due date after the billing cycle, and no rolling over of credit to the next billing cycle is permitted.
ix. Co-branded Card is a card that is issued jointly by a card-issuer and a co-branding entity bearing the names of both the partnering entities.

x. Convenience Fee is a fixed or pro-rata charge on use of credit/debit cards as one of the alternative forms of payment which is not ordinarily accepted vis-à-vis other forms of payment.

xi. Utilization Fee: Pro-rata charge on utilization, Applicable on overall Utilization during the billing period and applied as part of periodic billing on Credit Line on UPI.

xii. Corporate Credit Card is a credit card that is issued to specific employee/s of a corporate employer wherein the liability could rest with the corporate entity or the employee or jointly on both, as per the product design features.

xiii. Credit Card is a physical or virtual payment instrument containing a means of identification, issued with a pre-approved revolving credit limit, that can be used to purchase goods and services or draw cash advances, subject to prescribed terms and conditions.

xiv. Credit Limit means the maximum sanctioned amount of credit line (in the case of a Credit Line product) or revolving credit facility (in the case of a Credit Card product) approved by the Bank and communicated to the customer/cardholder from time to time, which may be utilized for undertaking eligible transactions through the credit line or credit card account, subject to the terms and conditions governing the facility.

xv. Credit Line Account is a credit facility sanctioned by the Bank and linked to UPI for carrying out authorised merchant transactions.

xvi. Credit Line on UPI (CLOU) is a pre-sanctioned credit facility linked to UPI and made available for eligible merchant transactions, using the UPI infrastructure. The facility shall operate as a charge-card equivalent facility requiring full repayment of the billed amount.

xvii. Digital lending Journey is End-to-end customer acquisition, underwriting, agreement execution, sanction, servicing and collections through digital channels.

xviii. Form Factor is the physical or virtual instrument that can be used in place of a card to undertake a payment/banking transaction.

xix. Interest-Free Credit Period is the time period from the date of transaction to the due date of payment, wherein interest free payment can be made, subject to the payment of entire outstanding on or before the payment due date by the cardholder.

xx. Lending Service Provider (LSP) is an entity engaged by the Bank to undertake one or more lending service functions in accordance with applicable RBI Digital Lending Guidelines.

xxi. Minimum Amount Due is the minimum amount of money, as a part of the total bill amount, that a cardholder has to pay to not be treated as an overdue bill.

xxii. Most Important Terms and Conditions (MITC) are the standard set of conditions for the issuance and usage of credit cards, thereby defining the responsibilities and liabilities of the card-issuer and the cardholder.

xxiii. Prepaid Card is a Prepaid Payment Instrument as defined in the Master Direction on Prepaid Payment Instruments.

xxiv. Principal Cardholder means the customer who has been issued credit card by a card-issuer and on whose name the card account has been opened.

xxv. Total Amount Due is the total amount (net of credit received during the billing cycle, if any) payable by the cardholder as per the credit card statement generated at the end of a billing cycle.

xxvi. Third Party Application Provider (TPAP) is an entity authorised by NPCI to provide UPI-based payment services.

xxvii. Digital Lending Guidelines are official regulatory rules issued by central banks—such as the Reserve Bank of India via the Reserve Bank of India (Digital Lending) Directions—that govern remote, app-based, and automated financial credit.

xxviii. Unsolicited Credit Card is a credit card issued without a specific written/digital request or an application therefor. Provided the issuance of a credit card for renewal or replacement shall not be treated as an unsolicited card.

Renewal contemplates the issuance of a new card on account of expiry of an existing card and replacement includes issuance of a new card in place of an existing card in lieu of the change in the underlying account relationship, upgradation due to new technology or systems or re issuance of cards that have been lost, blocked or suspended temporarily, but does not include the opening of a new account after a previous account was closed.

xxix. Upgradation of Credit Card means enhancement in the benefits and features of credit cards issued, for example, an increase in the credit or cash limit of the card.

(b) All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Banking Regulation Act, 1949 or the Reserve Bank of India Act, 1934 or any statutory modification or re-enactment thereto or as used in commercial parlance, as the case may be.

4. Product Details

Bank offers its credit card facilities in the following broad categories:

a) Secured Credit Cards
b) Secured Co-branded Credit Cards
c) Credit Line on UPI

These variants are tailored to serve diverse customer segments and may evolve over time based on customer preferences and strategic collaborations.

a) The secured credit cards, including co-branded options, are issued against the lien of the customer's fixed deposit, offering a secure line of credit.
b) These credit cards may be used for domestic and international transactions at retail outlets and online merchants and also support cash withdrawals at any ATM accepting RuPay credit cards, with all transactions settled in Indian Rupees.
c) Credit Line on UPI products may be offered through approved partner ecosystems including TPAPs, fintech platforms, digital marketplaces and other channels approved by the Bank. Such facilities shall be governed through Credit limit linked to UPI and may be used solely for eligible merchant transactions as permitted under regulatory guidelines.
d) Cardholders shall have the option to convert eligible high-value transactions into EMIs, with the flexibility to choose from multiple tenure options.

5. Types of Credit Cards

The Bank may issue secured credit cards, including co-branded credit cards, backed by fixed deposits as permitted under applicable regulatory guidelines, the Bank offers credit cards under the following primary variants:

- **'Classic'** – an entry-level variant on the RuPay network, designed to provide basic features and benefits for first-time and value-segment customers, linked to the Fixed Deposit (FD) amount maintained by the customer.
- **'Select'** – offering differentiated features and benefits linked to the Fixed Deposit (FD) amount maintained by the customer.
- **'Platinum'** – offering enhanced features and premium service benefits, linked to the Fixed Deposit (FD) amount maintained by the customer.

These variants may be issued in physical and/or virtual form, based on customer eligibility and preference. All card variants support domestic and international usage and may include value-added services such as reward programmes, UPI linkage, EMI conversion, and access to customer service channels, as applicable.

5.1 Mono-Card / Secured Card Clarity

For the purpose of this policy, a **Secured Credit Card (also referred to as a Mono-Card)** shall mean a standalone credit card product issued exclusively against the lien of a customer's Fixed Deposit (FD) with the Bank.

The key features of such cards are as follows:

- The card shall be backed by a lien-marked FD maintained with the Bank.
- The credit limit shall be linked to the FD value and shall not exceed 90% of the FD amount at the time of issuance.
- The FD shall remain under lien with the Bank and shall not be available for premature withdrawal while the card account remains active.
- Upon closure of the card account and settlement of all dues, the lien on the FD shall be released within 7 working days.

Add-on cards may be issued to individuals nominated by the primary cardholder, in accordance with the Bank's policies. The primary cardholder shall remain fully liable for all transactions undertaken on add-on cards.

6. Co-branded Credit Cards:

Co-branded credit cards are jointly issued by the Bank in partnership with select merchants or corporate entities, combining the Bank's credit infrastructure with the partner's customer engagement platform.

7. Credit Line on UPI (CLOU)

Credit Line on UPI [CLOU] is a credit facility sanctioned by the Bank and offered using the UPI infrastructure. Customers may utilise the sanctioned limit for eligible merchant payments through approved partner applications.

The Bank may offer CLOU through proprietary journeys or through approved partners including TPAPs, LSPs and ecosystem participants.

The Bank may introduce multiple CLOU variants based on customer segment, partner construct and risk profile. The Bank shall offer Credit Line on UPI rails only on Terms & Conditions as applicable to a charge-card equivalent facility wherein the entire billed amount becomes due on the payment due date. Upon payment of the Total Amount Due on or before the due date, the available credit limit shall be increased to the extent of such repayment, subject to the sanctioned credit limit and ongoing

eligibility criteria. While the facility operates on a replenishing line basis, it shall not have an option of carrying forward outstanding balances through payment of a Minimum Amount. CLOU shall be governed by the terms disclosed in the KFS, MITC and sanction documentation.

The facility may include:

- Merchant payment through UPI
- EMI conversion Age Criteria facility
- Statement-based repayment
- Automated repayment mandates
- Digital servicing
- UPI-linked transaction controls

8. Partner Due Diligence & Risk Assessment

Before entering any co-branding arrangement, the Bank shall conduct a comprehensive due diligence and risk assessment of the prospective partner, covering:

- Financial soundness and business reputation of the partner entity
- Regulatory compliance track record and absence of material adverse findings
- Data security and privacy practices, including compliance with applicable data protection laws
- Alignment with Bank's brand values, customer service standards, and ethical conduct norms
- Clarity on data sharing boundaries – customer data shall not be shared with the co-brand partner beyond what is necessary for product fulfilment and explicitly consented to by the customer
- Partner's ability to handle customer queries relating to their specific co-branded benefits

9. Co-brand Agreement Requirements

Each co-brand arrangement shall be governed by a formal agreement that includes:

- Clear delineation of roles, responsibilities, and liabilities of each party
- Provisions for periodic review and audit of partner compliance
- Termination and exit clauses protecting customer interests
- Customer grievance handling responsibilities and escalation to the Bank as the card-issuer
- Mandatory compliance with applicable RBI directions governing co-branded card arrangements

10. Co-brand Revenue Sharing

The arrangement between the Bank and its co-brand partners for the issuance of secured co-branded credit cards may involve revenue sharing between the Bank and the respective co-brand partner.

11. Eligibility:

Parameter	SSFB Platinum	SSFB Select	Credit Line on UPI
Joining Fee	Applicable as per product construct	Applicable as per product construct	NA
Annual Fee	Applicable with waiver eligibility based on usage	Applicable with waiver eligibility based on usage	NA
Age Criteria	As per ECC approved Credit Policy	As per ECC approved Credit Policy	As per ECC approved Credit Policy
Utilization Fee	NA	NA	Applicable on overall Utilization during the billing period and applied as part of monthly billing as per the product construct.
Eligible Customers	Individuals with fixed deposits; must be Indian residents	Individuals with fixed deposits; must be Indian residents	Individuals, must be Indian residents
Minimum Amount Due	Percentage of billed amount plus any applicable dues	Percentage of billed amount plus any applicable dues	Equal to Total Amount Due similar to a Charge Card
Minimum Amount Due Communication	Disclosed via MITC and monthly statements	Disclosed via MITC and monthly statements	Disclosed via MITC and monthly statements
Cash Advance Fee	Applicable, with cap on withdrawal limit	Applicable, with cap on withdrawal limit	NA
Interest Rate (APR)	As specified in Product Policy	As specified in Product Policy	As defined in the Product Policy.
Late Payment Fee	Applicable, capped as per card terms	Applicable, capped as per card terms	Applicable, capped as per terms
Card Replacement Fee	Applicable as per card type	Applicable as per card type	NA
Foreign Exchange Fee	Applicable on non-INR transactions	Applicable on non-INR transactions	NA
Rental Surcharge	Applicable on specific merchant categories	Applicable on specific merchant categories	NA

Fuel Surcharge	Applicable with waiver limits	Applicable with waiver limits	Applicable as per terms
GST	Applicable as per prevailing tax rates	Applicable as per prevailing tax rates	Applicable as per prevailing tax rates
Add-on Cards	Not available	Not available	NA

*All the fees and charges are communicated to the customer through KFS and MITC and published on Bank website.

11.1 Credit Limit Assessment – FD Linkage Framework

The credit limit for a secured credit card shall be determined based on the value of the lien-marked Fixed Deposit (FD), as per the following:

- The credit limit shall be linked to the FD amount and shall not exceed 90% of the FD value at the time of issuance.
- The FD value considered shall be the principal amount of the deposit.
- The overall credit limit shall be subject to a maximum cap of ₹5,00,000 (Rupees Five Lakhs), or such limits as may be defined under the relevant product variant.
- The sanctioned credit limit shall not be exceeded at any point without obtaining explicit consent from the cardholder.

12. Customer Acquisition

Bank's secured credit cards are currently acquired through the following channels:

- **For Bank-Issued (Proprietary) Cards**: Applications are primarily sourced by cross-selling to the Bank's existing fixed deposit customers who meet the eligibility criteria. Customers can apply for these cards through Bank's Mobile Banking App.
- **For Co-Branded Cards**: Applications are sourced through digital journeys hosted on the respective co-branded partner platforms. Currently, co-branded cards are issued via the partner's app or website, integrated with Bank's credit card issuance flow.
- Credit Line on UPI products may be sourced through TPAP applications
  - LSP platforms
  - Merchant partners
  - Bank digital channels

Where CLOU is originated through LSPs or digital channels, all requirements under the RBI Digital Lending framework, including KFS issuance, customer consent architecture, cooling-off requirements (where applicable), disclosure norms, RE accountability and Credit Enhancement guidelines shall be complied with.

In addition, to support growth and enhance accessibility, Bank may extend card acquisition to additional channels including:

- Direct Sales Agents (DSAs)
- Assisted journeys through branches or offline partner touchpoints

- Bank's official website or internet banking
- Embedded journeys within third-party apps, fintech platforms, and digital marketplaces

All acquisition channels shall be governed by the Bank's internal onboarding guidelines and shall comply with the Bank's Outsourcing Policy, as well as applicable regulatory standards on sourcing, disclosures, and consent-based data usage.

The terms and conditions applicable to Bank's credit cards, Credit Line on UPI whether issued directly by the Bank or in partnership shall be communicated to the customer in a clear and transparent manner. This includes, but is not limited to, the Most Important Terms and Conditions (MITC), Key Fact Statement (KFS), and Card Member Agreement (CMA). These documents will be provided to the cardholder in accordance with the applicable provisions of the RBI Regulations.

In the event of a credit card or Credit Line on UPI application being declined, whether for a proprietary or partnership, the Bank shall communicate the rejection along with the reason(s), within the Application.

12.1 Customer Acquisition – Issuance Timeline

The Bank shall adhere to the following issuance timelines:

- A credit card shall be dispatched/issued within 30 working days from the date of successful completion of the application, FD pledge creation, and KYC verification.
- The Bank shall communicate application status (approved/rejected) to the applicant within 7 working days of application submission.
- Credit Line on UPI account will be issued instantly from the date of successful completion of the application, Sanctioning and KYC verification.
- In case of rejection, the reason(s) for rejection shall be communicated to the applicant within the application platform.

12.2 Unsolicited Cards – Explicit Prohibition

In compliance with applicable RBI directions, the Bank shall not issue any credit card on an unsolicited basis. No credit card shall be issued or dispatched to a customer unless:

- A specific written or digital application has been received from the customer.
- Explicit and informed consent of the customer has been obtained and recorded in the Bank's systems.
- The card is activated by the customer through an approved authentication mechanism, such as OTP-based activation.

Any instance of issuance of unsolicited credit cards shall attract penalties and regulatory action as prescribed under applicable RBI directions.

12.3 Card Activation – OTP-Based Framework

To protect customers from unauthorised card usage, the Bank shall implement the following activation controls:

- All newly issued credit cards (physical and virtual) shall be activated only through a One-Time Password (OTP) sent to the registered mobile number of the cardholder.
- Cards shall remain in an inactive/locked state until explicitly activated by the cardholder.

- If a card is not activated within 30 days of issuance, the Bank shall seek OTP-based consent from the cardholder. If no consent is received, the card account shall be closed within 7 working days of seeking such confirmation, at no cost to the customer.
- All card transactions shall be disabled by default for new cards until activation is confirmed.

12.4 Credit Line Activation

To protect customers from unauthorised usage, following activation controls are in place:

- All newly issued Credit Line on UPI Accounts shall be activated via MPIN setup or Explicit consent from the account holder.
- Credit Line on UPI Account shall remain in an inactive/locked state until explicitly activated by the Account holder.
- All transactions shall be disabled by default for new Credit Line on UPI until activation is confirmed.
- Account activation process will be governed as per the respective RBI Guidelines.

All customer terms including KFS, MITC, and the Agreement shall be communicated to the account holder in a clear and transparent manner as per RBI regulations.

13. Billing

Bank will issue a monthly billing statement to all credit card holders across both proprietary and co branded products with billing cycles aligned to fixed statement generation dates. Eligible cardholders will have the option to request a one-time change in their billing cycle. Once a statement is generated, the payment will be due 20 days from the statement date. Grace period provisions for late payments will be provided in accordance with RBI guidelines.

CLOU billing cycles, repayment dates and statement generation schedules may vary by product construct and partner arrangement. Such arrangements shall be disclosed through KFS, MITC and product documentation.

For CLOU variants, Total Amount Due shall be payable in full on the payment due date and no revolving credit facility shall be available. EMI conversion, where offered, shall constitute a fresh repayment arrangement as disclosed in the product terms Once a statement is generated, the payment will be due 14 days from the statement date. Grace period provisions for late payments will be provided in accordance with RBI guidelines.

Credit Card, Credit Line on UPI Account holders shall have a window of 30 days to raise disputes on any transaction reflected in the statement. The Bank will resolve such disputes within 30 days of receipt.

Mode of repayment shall be displayed on Bank’s website and mentioned in Billing statement.

13.1 Interest rate and other charges

Secured Credit Card:

(a) Ceiling: The rate of interest on the Card shall be determined having regard to the Bank's cost of funds, credit and operational costs, the risk premium appropriate to the borrower's credit profile and card variant, expected loss rates, and prevailing industry benchmarks. The Bank prescribes 3.5% per month (42% per annum) as the ceiling rate of interest for the Secured Credit Card. Rates may differ by

card variant but shall be uniform within a variant, save for any differential pricing linked to payment/default history, which shall be transparently disclosed.

(b) Auditability & disclosure. The prescribed rate(s) and their rationale shall be auditable and reviewed at least annually. Rates and charges shall be published on the website, in the MITC and the Key Fact Statement, with the finance-charge calculation methodology illustrated, including where only part of the Total Amount Due is paid.

(c) Manner of levy. Interest shall be levied only on the outstanding amount (adjusted for payments/refunds/reversals) — never on the Total Amount Due — with no negative amortisation and no capitalisation of interest on unpaid taxes/levies/charges.

(d) Changes. Any revision shall take prospective effect only, with at least 30 days' prior notice, and cardholders disadvantaged by the change may surrender the card without additional charge.

CLOU

(a) Levy of interest: The Bank does not levy interest on Credit Line on UPI ("CLOU"). Consistent with the product's characterisation as a charge card (para 5(8) of the SFB Card Directions — full settlement each billing cycle, no rolling over), the customer must settle the Amount Due in full by the due date each cycle.
(b) Applicable Charges: The only amounts chargeable are utilization fee, late payment fee and default charges fee on a billing cycle basis disclosed upfront in the MITC/KFS, and revisable only prospectively with 30 days' notice. Utilization fee on Credit Line on UPI shall be applied between 0% and 4% on the utilization per periodic billing cycle, determined as per the approved product variant and pricing program communicated to the customer at onboarding.

13.2 Interest Rate Disclosure – APR Methodology

The Annual Percentage Rate (APR) and applicable interest charges and/or utilization fee on credit line shall be disclosed to customers through the Key Fact Statement (KFS), Most Important Terms and Conditions (MITC), and the Bank's website, in accordance with applicable RBI directions for all the products covered under this Policy.

The determination and application of interest rates shall be governed by the Bank's Board-approved Interest Rate on Advances Policy, as amended from time to time.

Any changes in interest rates or applicable charges shall be communicated to the cardholder in advance, in line with applicable regulatory requirements as per Reserve Bank of India (Small Finance Banks – Credit Cards and Debit Cards: Issuance and Conduct) Directions, 2025.

13.3 Charges Transparency & Customer Protection

The Bank is committed to full transparency in all charges applicable to credit cards and Credit Line on UPI Accounts:

- All charges shall be comprehensively disclosed in the KFS (Key Fact Statement) and MITC before card issuance.
- There shall be no hidden charges or fees not disclosed in the KFS/MITC. Any charge not so disclosed shall not be levied on the card, Credit Line on UPI holder.
- Credit line Account Card statement shall prominently display That Minimum Amount Due is equal to Total Amount Due as per its classification being similar to that of a Charge card.
- The credit card statement shall prominently display a warning about Minimum Due payment: "WARNING: Paying only the minimum amount due will result in interest being charged on the

entire outstanding balance from the statement date. The total interest payable will be significantly higher than the minimum due amount."

- The Credit card statement shall also show the 'Total Amount Due' and the interest cost of paying only the minimum due, to assist informed decision-making.
- Utilization fees, surcharges, and any merchant-level charges shall be disclosed at the point of transaction wherever feasible.

14. Underwriting Standards

i. Bank shall ensure prudence and assess the credit risk while issuing credit cards, Credit Line on UPI to customers, taking into account independent financial means of the customer.

ii. The Bank shall assess the credit limit for a credit card, Credit Line on UPI customer taking into consideration all the limits availed by the customer from the Bank and other financial institutions on the basis of self-declaration/credit information obtained from a Credit Information Company, as appropriate.

iii. Bank shall ensure complete transparency in the conversion of credit card, Credit Line on UPI transactions to Equated Monthly Instalments (EMIs) by clearly indicating the principal, interest and upfront discount provided by the merchant/card-issuer (to make it no cost, if applicable), prior to the conversion. It shall also be separately indicated in the credit card, Credit Line on UPI bill/statement. EMI conversion with interest component shall not be camouflaged as zero-interest/no-cost EMI.

iv. Bank shall ensure that loans offered through credit cards, Credit Line on UPI are in compliance with the instructions on loans and advances issued by RBI from time to time.

v. Bank shall ensure that the credit limit sanctioned to the customer is not breached at any point in time without seeking explicit consent from the customer.

vi. The Bank may reduce, suspend or withdraw limits periodically based on risk assessment and repayment behaviour.

15. Reporting to Credit Information Companies

The Bank currently submits data to all Credit Bureaus, as per defined frequency by the regulator. In case the Cardholder, Credit Line on UPI Account holder fails to pay dues post the payment due date, the same will be reported to the Credit Information Company as per the prevailing RBI guidelines applicable for credit cards and prior notice of such reporting shall be given to the cardholder.

15.1 Reporting Scope and Conditions

- CCIC reporting shall be limited to active credit card accounts. Accounts that have been closed, cancelled (including inactivated cards auto-closed), or where the FD lien has been released shall be updated as 'Closed' in CIC records as per frequency defined by the regulator.
- CIC reporting shall be limited to active Credit Line on UPI accounts. Accounts that have been closed, cancelled (including unactivated Credit line on UPI auto-closed) shall be updated as 'Closed' in CIC records as per frequency defined by the regulator.
- Prior intimation of adverse CIC reporting shall be given to the cardholder/Credit Line on UPI Holder via their registered email and/or mobile number as defined by the regulator.
- The Bank shall ensure data accuracy and completeness in all CIC submissions. Any errors in CIC reporting shall be rectified as per frequency defined by the Regulator or cardholder/Credit Line on UPI Account Holder complaint.

- The cardholder/Credit Line on UPI Account Holder may raise a dispute on CIC data through the Bank's grievance redressal channels. The Bank shall investigate and resolve the same within 30 days.

16. Customer Liability & Fraud Protection Framework

16.1 Zero Liability Clause

A cardholder/Credit Line on UPI Account Holder shall bear zero liability if an unauthorised transaction occurs due to:

- A deficiency or breach in the Bank's systems, processes, or negligence
- A third-party breach where the fault lies neither with the Bank nor the cardholder

Provided the cardholder/Credit Line on UPI Account Holders reports the unauthorised transaction within 4–7 working days of receiving communication from the Bank about the transaction, in line with applicable RBI directions on customer liability in unauthorized electronic transactions

16.2 Reporting and Resolution Process

- The Bank shall provide 24x7 reporting channels for unauthorised transactions: helpline, mobile app, internet banking, and SMS.
- Upon receiving a fraud complaint, the Bank shall acknowledge within 24 hours and provide a complaint reference number.
- The Bank shall resolve all fraud complaints and credit the amount to the cardholder's/Credit Line on UPI account within 10 working days of reporting, in cases of zero liability.
- In complex cases requiring further investigation, the Bank shall notify the cardholder/Credit Line on UPI Account Holder of the extended timeline and provide a provisional credit within 10 working days pending investigation.
- The Bank shall maintain detailed records of all fraud complaints, resolutions, and liability determinations for regulatory review.

16.3 Cardholder Responsibilities

To maintain zero-liability protection, cardholders/Credit Line on UPI Account Holder are responsible for:

- Not sharing card number, CVV, OTP, PIN, or any card credentials with any person, including Bank staff.
- Reporting lost/stolen cards immediately to the Bank via the helpline or app.
- Registering and keeping updated their mobile number and email ID with the Bank.
- Reporting any suspected unauthorised transaction promptly within the prescribed timelines.

17. Customer Protection – Rights & Safeguards

The Bank is committed to ensuring comprehensive customer protection across all aspects of credit card/Credit Line on UPI Account operations. Card/Credit Line on UPI Account holders are entitled to the following rights and protections as per RBI (Small Finance Banks – Responsible Business Conduct) Directions, 2025:

17.1 Right to Information

- Right to receive KFS, MITC, and Agreement before card issuance in a clear, simple language.
- Right to be informed of all charges, rates, and fees before they are levied.
- Right to receive a monthly statement with full transaction details, charges breakup, and minimum due warning.

- Right to access the Bank's credit card policy, product details, and grievance process on the Bank's website.

17.2 Right to Fair Treatment

- Cardholders/Credit Line on UPI Account Holder shall not be subjected to unfair or coercive recovery practices.
- The Bank shall not use recovery agents for secured credit card dues, given the FD-backed nature of the product. Recovery shall be effected by invoking the lien on the FD after due notice to the cardholder.
- Should the Bank engage recovery agents for any future product variant, such engagement shall be strictly governed by the Bank's Outsourcing Policy and applicable RBI guidelines, including the code of conduct for recovery agents.

17.3 Right to Privacy

- Customer data collected for credit card/Credit Line on UPI Account issuance and operations shall be used only for defined purposes with explicit customer consent.
- Customer data shall not be shared with co-brand partners beyond what is necessary for product fulfilment and explicitly consented to.
- The Bank shall comply with all applicable data protection laws and RBI guidelines on data privacy.

17.4 Right to Redressal

- Every cardholder/ Credit Line on UPI Account Holder has the right to lodge a complaint and receive resolution within defined timelines.
- Escalation to the RBI Integrated Ombudsman Scheme (IOS) is available if the Bank fails to resolve the complaint within 30 days or if the cardholder/Credit Line on UPI Account Holder is dissatisfied with the resolution.

18. Usage Controls for Credit Line on UPI

The Bank may permit utilisation of CLOU limits only for merchant transactions allowed under applicable NPCI and RBI guidelines.

The following shall be prohibited unless specifically permitted under applicable regulations:

- ATM withdrawals
- P2P fund transfers
- Cash disbursement
- Restricted MCC categories

The Bank reserves the right to block, suspend or restrict transactions based on risk triggers, regulatory directions or fraud indicators

19. Governance

The product team shall present half yearly review of its credit card/ Credit Line On UPI Account operations to Audit Committee of the Board. The scope of the review will include, among other aspects, customer service performance, fraud incidents, complaint and grievance redressal trends, card usage analysis including identification of long-inactive cards/Credit lines and assessment of associated portfolio risks. This governance process shall help to ensure oversight, compliance, and continuous enhancement of the credit card / Credit Line on UPI business.

20. Collections & Delinquency for Credit Line on UPI

UPI mandates are mapped for auto bill collection. In the event the Total Amount Due is not paid by the due date:

- Further utilisation of the facility may be suspended.
- Fresh UPI transactions may be blocked.
- The account may be reported as overdue to CICs, as per credit card guidelines.
- Penal charges, finance charges or such charges as disclosed in the KFS may be applied.
- RBI prudential asset classification norms as applicable for credit card shall apply. Income recognition, asset classification and provisioning for CLOU Facility will be governed by Reserve Bank of India (Small Finance Banks – Income Recognition, Asset Classification and Provisioning) Directions, 2025 (updated as on July 01, 2026) with specific norms pertaining to Credit Card.

21. Renewal of Credit Line on UPI facility

a. Credit Line account shall be subject to periodic review and renewal by the Bank. Renewal may be undertaken through customer consent, deemed acceptance (where legally permissible), or any other mechanism approved by the Bank and compliant with applicable regulatory requirements for Credit Card.
b. The renewal of a CLOU facility shall be subject to satisfaction of the following conditions:
    - The customer has maintained satisfactory repayment behaviour during the preceding review period without any current overdue.
    - KYC records are valid and updated in accordance with applicable regulatory requirements.
    - The customer continues to satisfy the Bank's internal underwriting and risk acceptance criteria.
    - Credit bureau reports and internal portfolio assessments do not indicate deterioration in creditworthiness.
    - The customer has complied with the terms and conditions governing the facility.

At the time of renewal, the Bank may, at its sole discretion:

- Increase (on explicit customer request) or decrease the sanctioned credit limit.
- Modify pricing, Utilization fee, interest rate or other charges.
- Revise billing cycle, repayment structure or operational controls.
- Introduce additional product features or restrictions.
- Suspend or discontinue specific partner-linked benefits.

Any such modifications shall be communicated to the customer in advance in accordance with regulatory requirements.

The Bank may decline renewal due to adverse bureau performance, fraud indicators, partner program discontinuation, regulatory restrictions, portfolio risk concerns or non-completion of KYC.

The Bank shall communicate renewal, non-renewal, suspension, modification of terms, or discontinuation of the facility through SMS, email, mobile application, internet banking, partner platform, or any other approved communication channel.

22. Renewal of Credit Card / Facility

On expiry of the sanctioned tenure, the Secured Credit Card facility may be renewed by the Bank in accordance with applicable policy. Renewal may involve issuance of a new card upon expiry of the

existing card. Such renewal shall not be treated as opening of a new account. The lien on the linked Fixed Deposit shall continue throughout the Credit Card relationship, including upon renewal, until closure of the Credit Card and settlement of all outstanding dues.

23. Credit Card, Credit Line on UPI Account Closure

Bank allows credit cardholders across both proprietary and co-branded products to initiate closure of their credit card account through multiple service channels including customer helpline, email, official website, internet banking, mobile banking app or any other mode. Any request for closure shall be processed within seven working days subject to full repayment of all outstanding dues by the cardholder. In case of any delay beyond seven working days due to reasons attributable to the Bank, a compensation of ₹500 per day shall be payable to the cardholder.

Customers may request closure of Credit Line on UPI accounts through approved channels. Credit Line on UPI Closure shall be completed within regulatory timelines subject to payment of dues.

The Bank may suspend, terminate or decline renewal of the facility, without any notice, based on:

- Delinquency
- Fraud concerns
- Risk reassessment
- Regulatory directions
- Non-compliance with KYC requirements

If a credit card/Credit Line on UPI Account remains inactive (i.e., not used for any transactions) for a period of more than one year, the Bank shall initiate the process of closure after providing prior intimation to the cardholder/Credit Line on UPI Account Holder. In the absence of any response from the cardholder within 30 days of such intimation, the card/Credit Line on UPI account shall be closed, provided all dues are cleared.

The Bank shall ensure that closure of the card/Credit Line on UPI account is accurately and promptly reported to the Credit Information Companies (CICs) as per applicable regulatory guidelines.

24. Grievance Redressal Mechanism

The Bank shall provide a robust, multi-channel grievance redressal mechanism ensuring timely and fair resolution of all customer complaints.

24.1 Key Provisions

- All complaints shall be acknowledged within 24 hours with a unique complaint reference number.
- Failed or unsuccessful UPI transactions shall be reversed in accordance with NPCI and RBI guidelines. Any compensation payable due to delayed reversal shall be processed as per applicable regulatory requirements.
- The name, direct contact number, email ID, and postal address of the designated Grievance Redressal Officer shall be mentioned on credit card/Credit Line on UPI Account bills and account statements.
- Contact details of the Principal Nodal Officer and escalation process shall be updated on the Bank's website.
- If the Bank fails to resolve the complaint within 30 days, or if the cardholder/Credit Line on UPI Account Holder is dissatisfied with the resolution, they may escalate to the RBI Integrated Ombudsman Scheme (IOS) at cms.rbi.org.in.

- The Bank has a separate Customer Grievance Redressal Policy, Customer Compensation Policy, Customer Protection Policy, and Policy on Customer Service, all displayed on the Bank's website.

25. Outsourcing Controls

Given the FD-backed nature of the secured credit card product, the Bank does not currently engage recovery agents for credit card dues. Recovery of outstanding dues, where necessary, shall be through invocation of the FD lien after due notice to the cardholder, in compliance with applicable laws. Bank may engage recovery agents for collection of Credit line on UPI Dues as per agreement terms.

Such engagement shall be governed by:

- The Bank's Board-approved Outsourcing Policy
- Reserve Bank of India (Small Finance Banks – Managing Risks in Outsourcing) Directions, 2025
- Mandatory inclusion of customer protection, data privacy, and conduct standards in all outsourcing agreements
- Prohibition on outsourcing recovery activities that involve coercive or abusive practices

26. Review of Policy

This policy shall be subject to review by the Board annually or as and when required.