



PRODUCT NOTE

**Approved by the Product Committee constituted by the
Board of Directors of Fincfriends Private Limited**

**On
25/09/2026**

Sd/-

**Artem Andreev
Chairman of the Product Committee
Chief Executive Officer**

PRODUCT NOTE

This note provides revised details of various loan products to be offered by Fincfriends Private Limited (FINCFRIENDS) to its retail customers. The details are presented before the Product Committee of FINCFRIENDS for approval. The changes once approved shall be effective once necessary changes are implemented by IT Function in the system.

(A) Effective August 13, 2026

For Installment loans

Tenure	Min – 62 days		Max – 720 days
Principal	Min – INR 2,000		Max – INR 250,000

	Details	Percentage	Remarks
Upfront fee	Processing Fee	1.50% to 15.00% of the Principal Loan Amount.	Refer Note 1
Accruing fee	Service Fees	8.76% to 19.50% of the Principal Loan Amount	Refer Note 2
	Interest	28.00% – 58.00% per annum of the outstanding amount of the Principal Loan on a daily reducing balance basis.	Refer Note 3
Overdue Fines	Overdue Interest	28.00% – 58.00% per annum on outstanding principal in the missed Installment	Refer Note 4
	Late Payment Fine	1,000 INR	Refer Note 5
Other Charges	Early Repayment Charge	5% (Inc. GST) on outstanding principal	Refer Note 6
TAX	GST	18.00% on all fees except Interest	
Optional Value Added Services	Group Insurance Cover	2% of the loan amount (taxes extra, as applicable)	Refer Note 7

Tax is included in the fees mentioned above and will not be charged additionally.

Note 1: Processing Fee

The Processing Fee is levied to the Borrowers only at the time of approval of the loan application. The processing fee is a combination to various expenses which the Company incurs for the purpose of identifying & evaluation of Borrowers for providing credit facilities. The Processing Fee is levied to cover the expenses incurred towards:

- Marketing expenses incurred for attracting potential customers
- Assessment of the customer's ability to repay the loan
- Verification of the customer's identity on real-time basis through integration with government provided database and screening through sanction lists and verification through video KYC process of the eligible customers
- Administrative expenses on the disbursements of loan to the bank accounts of the customers

The processing fee is levied basis the specific percentage of the loan amount applied by the customer. Processing Fee will be deducted from the Principal Loan Amount before disbursement to the customer.

Note 2: Service Fee

Service Fee is collected from the Borrowers along with repayment of the loan. The Company provides loans only through the digital lending platform (mobile application). In order to provide smooth, prompt and secure operations of the digital lending platform, the Company has been incurring substantial investment and expenditure on creating suitable infrastructure for the convenience of the customers. The purpose of levying Service Fees is to compensate the Company, in general, for performing following services/ obligations till the loan repayment is completed by the customer-

- Development and maintenance of the user-friendly and secure digital lending platform (mobile application) for our customers, CRM and LMS to manage such loan records and comprehensive customer support via phone and e-mail to customers to provide information/ update on loan products, repayment status and other associated services of the Company.
- Fast, secure and convenient options of repayment of dues towards loan are made available to the customers.
- To ensure the legal obligation of reporting customer information to credit information companies, Central KYC Registry etc.

In case of **Installment loans**, Service Fees will be apportioned to the number of instalments and the same is payable by the customer along with each EMI every month till closure of the loan. In case of prepayment of the loan, the Service Fee for the future period of the tenure will also be charged to the customer.

Note 3: Interest

Charged only for the period for which the loan amount was available to the customer during the month. In case of prepayment, the interest should be charged only for the period for which the loan was outstanding.

Note 4: Overdue Interest

Overdue Interest is charged to compensate the Company for the loss of Interest during the period under repayment default.

In case of **Installment loans**, Overdue Interest is charged on daily basis till 30 days from the date of period default. It will be at the rate same as the annualized rate of interest. It will be charged once for each missed installment of the loan. No Overdue Interest will be charged on the delinquent amount of interest or service fee.

Note 5: Late Payment Fine

It is charged to cover up the expense incurred for recovery of the loan. Late Payment Fine is charged on 5th day from the date of period default. It will be charged once for each missed installment of the loan.

Note 6: Early Repayment Charge

It is levied only for the **Instalment Loan** products to compensate the Company for the loss of income due to early repayment of the loan. It is applied in situations where the agreement is closed prior to the last payment period.

Note 7: Group Insurance Cover

The objective behind providing such facility is to enable customers to purchase a health protection product and increase overall customer value by offering protection, not only credit. The insurance cover will be purely optional to the customer and has no link or impact on the loan product availed by the customer from the Company.

The customers may voluntarily opt for risk cover under Group Insurance Policy provided by Go Digit General Insurance Limited. The Company shall pay the insurance premium on behalf of the customers to the insurance company to enroll such customers into the group insurance. The customer shall have the facility to pay such amount to the Company in equal monthly instalments without any further charges or interest. The arrangement shall be governed by the terms and conditions of the Group Insurance Policy.

(B) Prior to August 13, 2026
For Installment loans

Tenure	Min – 62 days		Max – 720 days
Principal	Min – INR 2,000		Max – INR 250,000

	Details	Percentage	Remarks
Upfront fee	Processing Fee	1.50% to 15.00% of the Principal Loan Amount.	Refer Note 1
Accruing fee	Service Fees	NIL to 19.50% of the Principal Loan Amount	Refer Note 2
	Interest	28.00% – 58.00% per annum of the outstanding amount of the Principal Loan on a daily reducing balance basis.	Refer Note 3
Overdue Fines	Overdue Interest	28.00% – 58.00% per annum on outstanding principal in the missed Installment	Refer Note 4
	Late Payment Fine	1,000 INR	Refer Note 5
Other Charges	Early Repayment Charge	5% (Inc. GST) on outstanding principal	Refer Note 6
TAX	GST	18.00% on all fees except Interest	
Optional Value Added Services	Group Insurance Cover	2% of the loan amount (taxes extra, as applicable)	Refer Note 7

Tax is included in the fees mentioned above and will not be charged additionally.

Note 1: Processing Fee

The Processing Fee is levied to the Borrowers only at the time of approval of the loan application. The processing fee is a combination to various expenses which the Company incurs for the purpose of identifying & evaluation of Borrowers for providing credit facilities. The Processing Fee is levied to cover the expenses incurred towards:

- Marketing expenses incurred for attracting potential customers
- Assessment of the customer's ability to repay the loan
- Verification of the customer's identity on real-time basis through integration with government provided database and screening through sanction lists and verification through video KYC process of the eligible customers
- Administrative expenses on the disbursements of loan to the bank accounts of the customers

The processing fee is levied basis the specific percentage of the loan amount applied by the customer. Processing Fee will be deducted from the Principal Loan Amount before disbursement to the customer.

Note 2: Service Fee

Service Fee is collected from the Borrowers along with repayment of the loan. The Company provides loans only through the digital lending platform (mobile application). In order to provide smooth, prompt and secure operations of the digital lending platform, the Company has been incurring substantial investment and expenditure on creating suitable infrastructure for the convenience of the customers. The purpose of levying Service Fees is to compensate the Company, in general, for performing following services/ obligations till the loan repayment is completed by the customer-

- Development and maintenance of the user-friendly and secure digital lending platform (mobile application) for our customers, CRM and LMS to manage such loan records and comprehensive customer support via phone and e-mail to customers to provide information/ update on loan products, repayment status and other associated services of the Company.
- Fast, secure and convenient options of repayment of dues towards loan are made available to the customers.
- To ensure the legal obligation of reporting customer information to credit information companies, Central KYC Registry etc.

In case of **Installment loans**, Service Fees will be apportioned to the number of instalments and the same is payable by the customer along with each EMI every month till closure of the loan. In case of prepayment of the loan, the Service Fee for the future period of the tenure will also be charged to the customer.

Note 3: Interest

Charged only for the period for which the loan amount was available to the customer during the month. In case of prepayment, the interest should be charged only for the period for which the loan was outstanding.

Note 4: Overdue Interest

Overdue Interest is charged to compensate the Company for the loss of Interest during the period under repayment default.

In case of **Installment loans**, Overdue Interest is charged on daily basis till 30 days from the date of period default. It will be at the rate same as the annualized rate of interest. It will be charged once for each missed installment of the loan. No Overdue Interest will be charged on the delinquent amount of interest or service fee.

Note 5: Late Payment Fine

It is charged to cover up the expense incurred for recovery of the loan. Late Payment Fine is charged on 5th day from the date of period default. It will be charged once for each missed installment of the loan.

Note 6: Early Repayment Charge

It is levied only for the **Instalment Loan** products to compensate the Company for the loss of income due to early repayment of the loan. It is applied in situations where the agreement is closed prior to the last payment period.

Note 7: Group Insurance Cover

The objective behind providing such facility is to enable customers to purchase a health protection product and increase overall customer value by offering protection, not only credit. The insurance cover will be purely optional to the customer and has no link or impact on the loan product availed by the customer from the Company.

The customers may voluntarily opt for risk cover under Group Insurance Policy provided by Go Digit General Insurance Limited. The Company shall pay the insurance premium on behalf of the customers to the insurance company to enroll such customers into the group insurance. The customer shall have the facility to pay such amount to the Company in equal monthly instalments without any further charges or interest. The arrangement shall be governed by the terms and conditions of the Group Insurance Policy.