PERFECT MUDRA PRIVATE LIMITED

(Formerly known as Perfect Synergy Advisory Services Private Limited)

POLICY ON PENAL CHARGES

Version History

Version	Approved by	Date of Approval/Review
1.0	Board of Directors	December 20, 2026

POLICY ON PENAL CHARGES

"Perfect Mudra Private Limited" (formerly known as Perfect Synergy Advisory Services Private Limited) ("Perfect Mudra" or "the Company") proposes the following policy on penal charges in loan accounts aligned with the Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025.

Objective

This policy ensures compliance with RBI's intent to promote credit discipline without using penal charges as a revenue tool, maintaining fairness and transparency in lending practices

1. Nature of Penal Charges: Penalty, if charged, for non-compliance of material terms and conditions of the loan contract by the borrower shall be treated as 'penal charges' and shall not be levied in the form of 'penal interest' that is added to the rate of interest charged on the advances.

2. No Capitalization: There shall be no capitalization of penal charges, i.e., no further interest computed on such charges. However, this will not affect the normal procedures for compounding interest in the loan account.

3. Interest Rate Integrity: The Company shall not introduce any additional component to the rate of interest and ensure compliance with RBI's guidelines in both letter and spirit.

4. Reasonableness and Non-Discrimination: The quantum of penal charges shall be reasonable and commensurate with the non-compliance of material terms and conditions of the loan contract, without being discriminatory within a particular loan / product category.

5. Equal Terms for Different Borrowers: The penal charges in case of loans sanctioned to 'individual borrowers, for purposes other than business', shall not be higher than the penal charges applicable to non-individual borrowers for similar non-compliance of material terms and conditions.

6. Transparency and Disclosure: The quantum and reason for penal charges shall be clearly disclosed by the Company to the customers upfront in the loan agreement and the Most Important Terms & Conditions (MITC) /Key Fact Statement (KFS), in addition to being displayed on the Company's website under Interest Rates and Service Charges.

7. Communication of Charges: Whenever reminders for non-compliance with the material terms and conditions of the loan are sent to borrowers, the applicable penal charges shall be communicated. Further, any instance of levy of penal charges and the reason therefor shall also be communicated.

8. Authority to Waive: Authority to waive off penal charges rests with the Director of the Company, who may delegate it further to any official of the Company as deemed appropriate.

9. The Board shall review the policy periodically.