



**OXYZO FINANCIAL SERVICES PRIVATE LIMITED (COMPANY OR
OXYZO)**

[Code of Conduct for Digital lending]

REVIEW & APPROVING AUTHORITY

Authority	Designation
Prepared By	Compliance Department
Reviewed By	Operation Committee
Approved By	Board of Directors

VERSION HISTORY

Version	Issue Date	Brief Description
1.0	July 2023	Created
1.0	18-07-2023	Reviewed by Operational Committee
1.0	22-07-2023	Noted by Board of Directors

Registered Office: Shop No. G-22 C (UGF) D-1 (K-84), Green Park Main, New Delhi, South Delhi- 110016

CIN: U65929DL2016PTC306174, Phone: 0124-47640758

I) Introduction:

The Reserve Bank of India had issued a notification dated September 02, 2022 bearing number RBI/2022-23/111 DOR.CRE.REC.66/21.07.001/2022-23 on “Digital Lending, Guidelines on Default Loss Guarantee (DLG) in Digital Lending issued on June 8, 2023 and in accordance with the “Outsourcing Guidelines”, “RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016” and other applicable laws, Rules and Regulations and any amendments made thereto from time to time.

OXYZO Financial Services Private Limited, hereafter referred to as "OXYZO/Company," is committed to providing responsible and transparent digital lending services to its customers including lending service provided either directly through their own digital App or platforms or through a digital lending platform under an outsourcing arrangement.

This code of conduct for Digital Lending (“Code”) outlines the guidelines and practices that OXYZO will adhere to in its digital lending operations and digital lending operations undertaken by OXYZO with other Digital Lending Apps (DLAs) and Loan Service Providers (LSPs). The Code covers general principles and practices followed by OXYZO in the digital lending of loans as under:

II) OXYZO being the Regulated Entity shall ensure to adhere at all times to Fair Practices Code and Outsourcing Guidelines as issued by Reserve Bank and ensure that:

1. The Company shall ensure that all loan servicing, repayment, etc., shall be executed by the borrower directly in the Company bank account without any pass-through account/ pool account of any third party. The disbursements shall always be made into the bank account of the borrower except for disbursals covered exclusively under statutory or regulatory mandate (of RBI or of any other regulator), the Company shall ensure that in no case, disbursement is made to a third-party account, including the accounts of LSPs and their DLAs.
2. The Company shall ensure to provide key fact statement in a standardized format and in a language that their customers would reasonably understand.
3. Detailed terms and conditions of the financial product and services offered, loan limits and cost, etc. are made available to the customer at the onboarding/customer engagement stage.
4. Digitally signed copies of the key fact statement, summary of loan product, sanction letter, loan agreement, and terms and conditions, applicable to the credit products being availed by a borrower are automatically provided to the borrowers on their registered and verified email address and over SMS, on or before disbursement of the loan.
5. The Company Shall prominently publish on its website a list of the digital lending applications, lending service providers, and the digital lending applications of their lending service providers.
6. The Company shall ensure to clearly disclose to the customers/borrowers that they are taking a loan and that the loan transaction will be reported to credit bureau and potential possibility of legal action in case of an event of default.

7. The Company shall ensure to mention an annual percentage rate in its key fact statement which includes and lists all costs and fees applicable to the financial product or service offered, including all upfront fees, processing fees, interest costs, insurance costs, registration fees, provisions, re-arrangement fees, late fees, pre-payment fees or penalties and any other costs charged to the customer.
8. The Company shall ensure that the illustration of all costs, including any contingent or default costs and expenses, must be explicit and clear and provided in a manner that can be understood by the customer & Company cannot impose on the customers any fines, charges, costs, etc. which are not disclosed in the key fact statement.
9. Digital lending application of the Company and LSPs have direct link on OXYZO's website to direct customers to a webpage of the OXYZO containing detailed information surrounding the financial products namely about the loan products, the lender, the lending service provider, particulars of customer care, link to the RBI's Sachet portal, privacy policies, etc.
10. Adherence to the Digital Lending, Guidelines on Default Loss Guarantee (DLG) in Digital Lending issued on June 8, 2023.

III) DLA/LSPs must ensure customers' data Security & privacy and adhere to following Code:

1. The DLAs/LSPs shall follow a consent-based approach for data capture with informed consent provided by the customer following a detailed explanation of the data being captured and used (including sharing of such data with third parties). The Member shall preserve such digital records of customer consent(s) as proof of informed consent.
2. The DLAs/LSPs are required to practice good faith in the collection, storage, use, and sharing of personal data of customers.

Without limiting the generality of the above, The DLAs/LSPs shall not:

- (a) intentionally request personal data from a customer even though there is no service that can be provided to a customer;
- (b) intentionally collect personal data that is not relevant to the services that will be provided to the customer;
- (c) collect personal data outside the data that has been agreed to be given by the customer;
- (d) use personal data for purposes that have not been notified or purposes that are different from what was previously notified to the customer;
- (e) collect and store customer's personal data even though the DLAs/LSPs or any person authorized by the The DLAs/LSPs to collect, process or store such personal data does not yet have a reliable system or processes to carry out such activities or protect such data;
- (f) sell personal data of customers to third parties without explicit consent from the customer;
- (g) share such personal data with third parties other than for purposes consented to by the customer or where it is required under applicable law;
- (h) use a customer's contact list for contacting any third parties, family members of the customer, or persons associated with the customer for any communication related to the customer's loan;

(i) use the personal data in any manner which is likely to cause physical harm or injury to any customer, their family member, or any person associated with the customer.

3. The DLAs/LSPs may access, store, and utilize the personal information of the borrower provided that:
 - a. the data is collected with the explicit consent of the borrower. Such borrower consents must be recorded in a manner that is auditable;
 - b. the user interface of the digital lending application must not facilitate 'umbrella consent'. Instead, the DLAs/LSPs must obtain informed consent of the borrowers whereby the borrower is clearly made aware of the data points that will be accessed. The DLAs/LSPs shall obtain upfront consent of its customers for the collection, storage, utilization, and sharing of any borrower information.
 - c. The DLAs/LSPs shall not obtain over-arching access to a borrower's mobile phone resources like files and media, contact list, call logs, or telephony functions. Any such access must be strictly need-based and related to the products or services proposed to be provided to the customers.
 - d. the purpose of the collection of data and taking the consent of the borrower is clearly disclosed by the The DLAs/LSPs to the borrower at each stage.
 - e. the borrower is given the option to both give and deny consent for the use of specific data, restrict disclosure of such data to third parties by Company, revoke previously granted consent to access personal data, limit the time period for which such data can be stored by the Company and require the Company to delete the data collected from the borrower
 - f. the data collected is only processed and used for the limited purpose disclosed to the borrower.
 - g. Only minimal customer data that is personal in nature is stored by the Company, which is critical for the Member to carry out its operations and functions as required by the under the terms of the partnership arrangement.
 - h. the data is collected and stored by the Company only in the capacity of a lender service provider/ digital lending application, for associated Company, and not in any other capacity (such as for the purpose of providing value-added services to borrowers, which services are not directly linked to digital lending);
 - i. The DLAs/LSPs shall not store any biometric information of any customer, other than as permitted under extant statutory guidelines.
 - j. all data collected by the DLAs/LSPs is stored only on servers located in India.
 - k. The technology deployed by the The DLAs/LSPs complies with the technology standards/ requirements on cybersecurity stipulated by the RBI and other agencies, from time to time, for undertaking digital lending; and
 - l. The DLAs/LSPs may, in the capacity of the agent of the customer, seek the credit information of the customer from the credit information companies, by providing the satisfactory identification along with the consent of the customer to obtain such information on the customer's behalf.

IV) Customer Grievances Redressal:

1. The DLAs/LSPs shall appoint a suitable nodal grievance redressal officer to oversee the customer grievance redressal function. The DLAs/LSPs must prominently display the contact details of such nodal grievance redressal

officer on their website, the website of the Company/ the lending service provider, the digital lending application, and in the key fact statement.

2. The DLAs/LSPs shall provide to customers, including by publishing on its website, details of how the customer can contact customer service / concerned compliance officer at the DLAs/LSPs or seek redressal of customer complaints. DLAs/LSPs shall also ensure to provide details on how customers can contact the Oxyzo, which are providing the relevant financial product or services to the customer.
3. If any complaint lodged by the borrower against Company or the DLAs/LSPs engaged by the Company and is not resolved within the stipulated time than he/she can lodge a complaint over the Complaint Management System (CMS) portal under the Reserve Bank-Integrated Ombudsman Scheme (RB-IOS).

V) Reporting Requirements:

1. Company shall ensure that any lending done through DLAs/LSPs the same is reported to CICs irrespective of its nature/ tenor.
2. Extension of structured digital lending products by Company and/or LSPs over a merchant platform involving short term, unsecured/ secured credits or deferred payments, need to be reported to CICs by the Company.

VI) Adherence to Outsourcing Guidelines:

The Company shall always ensure that the outsourcing arrangements entered DLAs/LSPs does not diminish the Company' obligations and they shall continue to conform to the extant guidelines on outsourcing.

Company shall ensure that DLAs/LSPs, if any, associated with such deferred payment credit products shall abide by the extant outsourcing guidelines issued by the Reserve Bank.

VII) Review of the Code:

The Code shall be amended or modified with approval of the Board. **The Code shall be reviewed by the Board on an annual basis.** Consequent upon any amendments in RBI Guidelines or any change in the position of the Company, necessary changes in this code shall be incorporated and approved by the Board.