



Policy on Credit Card / Co-Branded Credit Card Instrument

History of Revisions

Version	Summary of Revisions	Date of Approval
2.0	Annual review	August 8, 2025
1.0	New Policy	August 23, 2024

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1 Preamble

1.1 Objective of the Policy

The objective of this policy is to enable Equitas Small Finance Bank Limited (referred hereafter as “the Bank”) to offer a complete range of credit card solutions to its customers to fulfil their payment and credit needs/services, in line with regulatory requirements.

1.2 Scope of the Policy

This Policy is applicable to all the employees of the Bank and the customers availing credit cards from the Bank.

1.3 Definitions (as per RBI Master Directions on issue of Debit Cards and Credit Cards)

a. Credit Card:

It 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.

b. Principal Cardholder:

The customer who has been issued a credit card by a card-issuer and on whose name, the card account has been opened.

c. Add-on Credit Card:

It is a supplementary credit card to the principal or primary credit card, issued to person/s with a pre-defined 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.

d. Annual Percentage Rate:

It 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.

e. Billing Cycle/Billing Period:

It is the regular length of time between closing dates of two consecutive bills raised by the card-issuer.

f. Business Credit Cards:

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.

g. Card Loyalty/Reward Programme/s:

Card Loyalty/Reward Programme/s are those schemes linked to a credit card whereby the card-issuer or associated merchant establishments, upon use of the card/s, offer digital coupons, points, discounts, cashbacks or other benefits having monetary value that can be used/redeemed for the same transactions or other future transactions after accumulation.

h. Charge Card:

It is a type of credit card where the user has to pay the billed amount in full on the due date after the billing cycle, and no rolling over of credit to the next billing cycle is permitted.

i. Co-branded Card:

It is a card that is issued jointly by a card-issuer and a co-branding entity bearing the names of both the partnering entities.

j. Convenience Fee:

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

k. Corporate Credit Card:

It 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.

l. Credit Limit:

It is the maximum amount of revolving credit determined and notified to the cardholder to transact in the credit card account.

m. Interest-Free Credit Period:

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

n. Minimum Amount Due:

It 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.

o. Most Important Terms and Conditions (MITC):

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. (Annexure 1)

p. Principal Cardholder:

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

q. Total Amount Due:

It 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.

r. Unsolicited Credit Card:

It is a credit card issued without a specific written/digital request or an application therefor.

Provided that the issuance of a credit card for renewal or replacement shall not be treated as an unsolicited card.

s. Upgradation of Credit Card

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

2 Regulatory Framework Applicable Regulations

- 2.1 Master Directions – Credit Card and Debit Card – Issuance and Conduct Directions, 2022 (updated on March 7, 2024) (“Master Directions”)
- 2.2 RBI Circular on Managing Risks and Code of Conduct in outsourcing of financial services by banks dated November 3, 2006
- 2.3 RBI Master Direction - Know Your Customer (KYC) Direction 2016 and its amendments thereto.
- 2.4 RBI Notification on Security and Risk Mitigation Measures for Card Present and Electronic Payment Transactions – Issuance of EMV Chip and PIN Cards dated August 27, 2015
- 2.5 RBI Notification on Customer Protection – Limiting Liability of customers in unauthorized electronic banking transactions dated July 06, 2017.
- 2.6 RBI Notification on Enhancing Security of Card Transactions dated January 15, 2020.
- 2.7 TRAI Regulations on Telecom Commercial Communications Customer Preference Regulations, 2018.
- 2.8 General Credit Card (GCC) Facility - Review dated April 25, 2023
- 2.9 RBI Circular – Guidelines on Digital Lending dated September 02, 2022
- 2.10 RBI Master Direction on Issuance and Operation of Prepaid Payment Instruments dated October 11, 2017 and its amendments thereto
- 2.10 RBI Circular on Prepaid Payment Instruments (PPIs) dated May 19, 2021.
- 2.11 RBI Master Direction on Prepaid Payment Instruments (PPIs)
- 2.12 Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated April 1, 2025.

3 ESFB Policy framework

- 3.1 **Governance Framework** (*Master Direction – Credit Card and Debit Card – Issuance and Conduct Directions, 2022 (hereinafter referred to as “MD”) – Chapter II, Point 5*)

The Bank will issue credit cards in consonance with RBI Master Directions on Credit Card and Debit Card dated April 21, 2022 and other instructions on the subject issued by the Reserve Bank from time to time. This policy will be available on the website of the Bank.

The Bank will put in place a mechanism for review of its credit card operations on a half-yearly basis by the Audit Committee of the Board of Directors. The review will include, inter-alia, customer service, frauds, complaints and grievance redressal, card usage analysis including cards not used for long durations and the inherent risks therein.

- 3.2 **Issue of Credit Cards** (*MD – Chapter II, Point 6*)

- 3.2.1 The issuance of credit cards will be in line with the regulations provided by the regulatory authorities from time to time. The Bank will take a decision with respect to a credit card application submitted by a customer within 30 working days from the date of receipt of application.

- 3.2.2 **Key Fact Statement** (*MD – Chapter II, Point 6ai*)

The Bank will provide a one-page Key Fact Statement along with the credit card application containing the important aspects of the card such as rate of interest, quantum of charges, among

others. In case of rejection of a credit card application, the Bank will convey in writing the specific reason/s which led to the rejection of the application.

3.2.3 MITC: *(MD – Chapter II, Point 6a ii)*

The MITC will be highlighted and published/sent separately to the cardholders, at the acceptance stage (welcome kit) and in important subsequent communications. The MITC will be provided to the cardholder at the time of onboarding and each time, a condition is modified with notice to the customer. The MITC and a copy of the agreement signed between the Bank and cardholder will be sent to the registered email address of the cardholder or postal address as per the choice of the cardholder.

3.2.4 Insurance: *(MD – Chapter II, Point 6a iii)*

The Bank will consider introducing, at the option of the cardholder, an insurance cover to take care of the liabilities arising out of lost cards, card fraud, etc. The Bank will offer this insurance, in tie-up with insurance companies with explicit consent from the cardholder in writing or in digital mode along with the details of nominee/s.

3.2.5 Unsolicited Cards: *(MD – Chapter II, Point 6a iv)*

The Bank will not issue unsolicited credit cards or upgrade existing credit cards without explicit consent of the cardholder. Should such an unsolicited card be issued, or an unsolicited upgrade occur, and the recipient of the card is billed for the same, the Bank will reverse the charges forthwith. In addition, the Bank will pay the recipient such penalty as specified by RBI from time to time. Further, the recipient will have the option to approach RBI Ombudsman seeking compensation under the provisions of the Ombudsman Scheme.

Any loss arising out of misuse of such unsolicited cards will be the responsibility of the Bank only and the person in whose name the card has been issued will not be held responsible for the same. *(MD – Chapter II, Point 6a v)*

3.2.6 Activation:

- (a) The Bank will adhere to RBI guidelines regarding activation of new cards within the stipulated period. A card will be considered active if the cardholder initiates a process indicating intent to use a credit card such as PIN generation, modification of transaction control, Interactive Voice Response (IVR), recorded call to the customer care center and SMS. Any calls made to the customer care center, for reasons other than those cited above, will not be considered towards usage of a card. *(as per FAQ no.3 and 4)*
- (b) The Bank will seek One Time Password (OTP) based consent from the cardholder for activating a credit card, if the same has not been activated by the customer for more than 30 days from the date of issuance. If no consent is received for activating the card, the Bank will close the credit card account without any cost to the cardholder within seven working days from the date of seeking confirmation from the cardholder. In case of a renewed or replaced card, the closure of an inactivated card will be subject to payment of all dues by the cardholder. *(MD – Chapter II, Point 6a vi)*

- (c) The Bank will not report any credit information relating to a new credit card account to Credit Information Companies prior to activation of the card. *(MD – Chapter II, Point 6avii)*

3.2.7 Consent: *(MD – Chapter II, Point 6aviii)*

The consent for the cards issued or the other products/services offered along with the card will be explicit and will not be implied. In other words, the written consent of the applicant will be required before issuing a credit card. Alternatively, the Bank will use other digital modes with multifactor authentication to obtain explicit customer consent. Such alternative digital modes, if any used by the Bank, will be communicated to the Department of Regulation, Reserve Bank of India.

3.2.8 Directions/Regulations – TRAI: *(MD – Chapter II, Point 6aix)*

The Bank will ensure that the telemarketers, if any engaged, comply with directions/regulations on the subject issued by the Telecom Regulatory Authority of India (TRAI) from time to time, while adhering to guidelines issued on “Unsolicited Commercial Communications – National Customer Preference Register (NCPR)”. The Bank’s representatives will contact the customers only between 10:00 hrs. and 19:00 hrs.

3.2.9 Decision making power for card issue: *(MD – Chapter II, Point 6ax)*

The decision-making power for issue of credit card to a customer will remain only with the Bank and the role of the Direct Sales Agents (DSAs)/Direct Marketing Agents (DMAs)/other agents will remain limited to soliciting/servicing the customer/ account.

3.2.10 Underwriting Standards: *(MD – Chapter II, Point 6b)*

- (a) The Bank will exercise prudence while issuing credit cards and independently assess the credit risk while issuing cards to persons, considering the credit worthiness of applicants.
- (b) As holding several credit cards enhances the total credit available to any consumer, the Bank will assess the credit limit for a credit card customer taking into consideration all the limits enjoyed by the cardholder from other entities based on self-declaration/ credit information obtained from a Credit Information Company, as appropriate.
- (c) The Bank will ensure complete transparency in the conversion of credit card transactions to Equated Monthly Instalments (EMIs) by clearly indicating the principal, interest and upfront discount provided by the Bank (to make it no cost), prior to the conversion. The same will also be separately indicated in the credit card bill/statement. EMI conversion with interest component will not be camouflaged as zero-interest/no-cost EMI.
- (d) The Bank will offer loans through credit cards in compliance with the instructions on loans and advances issued by the Reserve Bank from time to time.
- (e) The credit limit as sanctioned and advised to the cardholder will not be breached at any point in time without explicit consent from the cardholder.

3.3 Type of Cards: *(MD – Chapter II, Point 7)*

Based on the business requirement, the Bank may issue various types of cards as outlined below:

- (a) Credit cards/charge cards to individuals for personal use together with add-on cards, wherever required.

- (b) Cards linked to overdraft accounts that are personal loans without any end-use restrictions subject to the conditions stipulated in the overdraft account.
- (c) Business credit cards to business entities / individuals for business expenses. The business credit cards will also be issued as charge cards, corporate credit cards or by linking to a credit facility such as overdraft / cash credit provided for business purpose as per the terms and conditions stipulated for the facility concerned. The Bank will put in place an effective mechanism to monitor the end use of funds. Business credit cards will be issued together with add-on cards wherever required. The liability of the corporate/business entity on account of business cards will form part of the total assessed credits in compliance with the instructions issued by the Reserve Bank on Exposure Norms as well as Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances. In respect of corporate credit cards, the responsibilities and liabilities of the corporate and its employees will be clearly specified.
- (d) Add-on cards to persons specifically identified by the principal cardholder will be issued under both personal and business credit card categories. Add-on cards will be issued with the clear understanding that the liability will be that of the principal cardholder.

3.4 Closure of Credit Card (MD – Chapter II, Point 8)

- (a) Any request for closure of a credit card will be honoured within seven working days by the Bank, subject to payment of all dues by the cardholder. After the closure of credit card, the cardholder will be immediately notified about the closure through email, SMS, etc. Cardholders will be provided the option to submit the request for closure of credit card account through multiple channels such as helpline, dedicated email-id, Interactive Voice Response (IVR), prominently visible link on the website, internet banking, mobile-app or any other mode. The Bank will not insist on sending a closure request through post or any other means which may result in the delay of receipt of the request. In case of failure on the part of the Bank to complete the process of closure within the prescribed period stipulated by RBI, the Bank will compensate the customer as prescribed by RBI for each calendar day of delay till closure, provided there is no outstanding in the account.
- (b) If a credit card has not been used for a period of more than one year, the process to close the card will be initiated after intimating the cardholder. If no reply is received from the cardholder within a period of 30 days, the card account will be closed by the Bank, subject to payment of all dues by the cardholder. The recovery of dues will be governed by the Bank's Policy on NPA Management, Recovery and Write-off.
- (c) The information regarding the closure of the card account will also accordingly be updated with the Credit Information Company/ies within a period of 30 days from the closure.
- (d) After closure of credit card account, any credit balance available in credit card accounts will be transferred to the cardholder's bank account. The Bank will obtain the details of the cardholder's bank account, if the same is not available with it.

3.5 Interest rates and other charges (MD – Chapter II, Point 9)

- (a) The Bank will be guided by the instructions on interest rate on advances issued by the Reserve Bank as amended from time to time, while determining the interest rate on credit card dues. The

interest charged on credit cards will be justifiable having regard to the cost incurred including processing and other charges and the extent of return that could be reasonably expected by the Bank. Interest rate so charges will be subject to an overall ceiling of 4% per month. In case the Bank charges interest rates, which vary based on the payment/default history of the cardholder, there will be transparency in levying such differential interest rates. The interest rates charged by the Bank and the rationale for the same will be auditable. The Bank will publicize through its website and other means the interest rates charged to various categories of customers. The Bank will indicate upfront to the credit cardholder the methodology of calculation of finance charges with illustrative examples, particularly in situations where only a part of the outstanding amount is paid by the customer.

(b) Further, the Bank will adhere to the following directions relating to interest rates and other charges on credit cards:

- The Bank will quote Annualized Percentage Rates (APR) on credit cards for different situations such as retail purchases, balance transfer, cash advances, non-payment of minimum amount due, late payment etc., if different. The method of calculation of APR will be given with clear examples for better comprehension. The APR charged, and the annual fee will be shown with equal prominence. The late payment charges, including the method of calculation of such charges and the number of days, will be prominently indicated. The manner in which the outstanding unpaid amount has been arrived at for calculation of interest will also be prominently shown in all the billing statements. These aspects will also be shown in the Welcome Kit in addition to being shown in the billing statements.
- The terms and conditions for payment of credit card dues, including the minimum amount due, will be stipulated to ensure that there is no negative amortization. The unpaid charges/levies/taxes will not be capitalized for charging/compounding of interest.
- The Bank will inform the cardholders of the implications of paying only 'the minimum amount due'. A legend / warning to the effect that "Making only the minimum payment every month would result in the repayment stretching over months/ years with consequential compounded interest payment on your outstanding balance" will be prominently displayed in all the billing statements to caution the cardholders about the pitfalls in paying only the minimum amount due. The MITC will specifically explain that the 'interest-free credit period' is suspended if any balance of the previous month's bill is outstanding.
- For this purpose, the Bank will work out illustrative examples and include the same in the Welcome Kit sent to the cardholders and place it on its website.
- The Bank will report a credit card account as 'past due' to Credit Information Companies (CICs) or levy penal charges, viz. late payment charges and other related charges, if any, only when a credit card account remains 'past due' for more than three days. The number of 'days past due' and late payment charges will, however, be computed from the payment due date mentioned in the credit card statement, as specified under the regulatory instructions on 'Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances' amended from time to time. Late payment charges and other related charges will

be levied only on the outstanding amount after the due date, and not on the total amount due.

- Interest will be levied only on the outstanding amount, adjusted for payments/ refunds/ reversed transactions.
- Changes in charges will be made only with prospective effect giving prior notice of at least one month. If a cardholder desires to surrender his/her card on account of any change in charges to his/her disadvantage, he/she will be permitted to do so without levying any extra charge for such closure, subject to payment of all dues by the cardholder.
- There will not be any hidden charges while issuing credit cards free of charge.

3.6 Billing (MD – Chapter II, Point 10)

- (a) The Bank will send/ dispatch/ email bills/ statements promptly to the customer so as to provide the customer sufficient number of days for making payment, i.e., at least one fortnight before the due date of payment. To obviate frequent complaints of delayed receipt of statements, the Bank will provide bills and statements of accounts through internet/mobile banking with the explicit consent of the cardholder.
- (b) The Bank will ensure that wrong bills are not raised and issued to cardholders. In case a cardholder protests any bill, the Bank will provide an explanation and, wherever applicable, documentary evidence will be provided to the cardholder within a maximum period of 30 days from the date of complaint.
- (c) The Bank will provide the list of payment modes authorised by it for making payment towards the credit card dues, on its website and billing statement. Further, the Bank will advise cardholders to exercise due caution and refrain from making payments through modes other than those authorised by it.
- (d) No charges such as late payment charges and interest will be levied on transactions disputed as 'fraud' by the cardholder until the dispute is resolved.
- (e) Any debit to the credit card account will be done as per the authentication framework prescribed by the Reserve Bank from time to time, and not through any other mode/instrument.
- (f) The Bank will not follow a standard billing cycle for all credit cards issued. In order to provide flexibility in this regard, cardholders will be provided the option to modify the billing cycle of the credit card at least once, as per cardholders' convenience.
- (g) Any credit amount arising out of refund/failed/reversed transactions or similar transactions before the due date of payment for which payment has not been made by the cardholder, will be immediately adjusted against the 'payment due' and notified to the cardholder.
- (h) The Bank will seek explicit consent of the cardholder to adjust credit amount beyond a cut-off prescribed by RBI, arising out of refund/failed/reversed transactions or similar transactions against the credit limit for which payment has already been made by the cardholder. The consent will be obtained through e-mail or SMS within seven days of the credit transaction. The Bank will reverse the credit transaction to the cardholder's bank account, if no consent/response is received from the cardholder. Notwithstanding the cut-off, if a cardholder makes a request to the Bank for

reversal of the credit amount outstanding in the card account into his/her bank account, the card-issuer will do it within three working days from the receipt of such request.

- (i) For business credit cards wherein the liability rests fully with the corporate or business entity (principal account holder), the timeframe provided for payment of dues and adjustment of refunds will be as agreed between the Bank and the principal account holder.

3.7 Issue of unsolicited facilities: (MD – Chapter II, Point 11)

- (a) Unsolicited loans or other credit facilities will not be offered to the credit cardholders without seeking explicit consent. In case an unsolicited credit facility is extended without the written/explicit consent of the cardholder and the latter objects to the same, the Bank will not only withdraw the facility but also be liable to pay such penalty as may be considered appropriate by the RBI Ombudsman, if approached.
- (b) The Bank will not unilaterally upgrade credit cards and enhance credit limits. The explicit consent of the cardholder will invariably be taken whenever there is/are any change/s in terms and conditions. In case of a reduction in the credit limit, the Bank will intimate the same to the cardholder.

3.8 Reporting to Credit Information Companies (MD – Chapter II, Point 12)

- (a) For providing information relating to credit history/repayment record of the cardholder to a Credit Information Company (that has obtained Certificate of Registration from RBI), the Bank will explicitly bring to the notice of the cardholder that such information is being provided in terms of the Credit Information Companies (Regulation) Act, 2005.
- (b) Before reporting default status of a credit cardholder to a Credit Information Company (CIC), the Bank will adhere to the procedure (Annexure 2) forming part of this Policy and intimate the cardholder prior to reporting of the status. In the event the cardholder settles his/her dues after having been reported as defaulter, the Bank will update the status with CIC within 30 days from the date of settlement. The Bank will be particularly careful in the case of cards where there are pending disputes. The disclosure/release of information, particularly about the default, will be made only after the dispute is settled. In all cases, a well laid down procedure will be transparently followed and be made a part of MITC.

3.9 Customer Conduct (MD – Chapter II, Point 13)

- (a) In the matter of recovery of dues, the Bank will adhere to and also ensure that its agents adhere to the extant instructions on Fair Practices Code for lenders.
- (b) In particular, with regard to the appointment of third-party agencies for debt collection, the Bank will ensure that its agents refrain from actions that could damage its integrity and reputation and observe strict customer confidentiality. All communications issued by recovery agents must contain the name, email-id, telephone number and address of the concerned senior officer of the Bank whom the customer can contact. Further, the Bank will provide the name and contact

details of the recovery agent to the cardholder immediately upon assigning the agent to the cardholder.

- (c) The Bank/its agents will not resort to intimidation or harassment of any kind, either verbal or physical, against any person in its debt collection efforts, including acts intended to humiliate publicly or intrude upon the privacy of the credit cardholders' family members, referees and friends, making threatening and anonymous calls or making false and misleading representations.
- (d) The Bank will comply with the extant guidelines in respect of engagement of recovery agents issued by the Reserve Bank, as amended from time to time.
- (e) The disclosure of customers' information to the DSAs/DMAAs/recovery agents will also be limited to the extent that will enable them to discharge their duties. Personal information provided by the cardholder but not required for recovery purposes will not be released by the Bank. The Bank will ensure that the DSAs/DMAAs/recovery agents do not transfer or misuse any customer information during marketing of credit card products.
- (f) While outsourcing various credit card related operations, the Bank will exercise due diligence in the appointment of such service providers such that they do not compromise on the quality of customer service and the Bank's ability to manage credit, liquidity and operational risks. In the choice of the service provider, the Bank will be guided by the need to ensure confidentiality of the customer's records, respect customer privacy and adhere to fair practices in debt collection.
- (g) The Bank will have a system of random checks and mystery shopping to ensure that the agents have been properly briefed and trained as to how to handle customers and are also aware of the responsibilities, particularly with regard to soliciting customers, hours for calling, privacy of customer information, conveying the correct terms and conditions of the product on offer.
- (h) The Bank will ensure that its employees/agents do not indulge in mis-selling of credit cards by providing incomplete or incorrect information to the customers, prior to the issuance of a credit card. The Bank will also be liable for the acts of its agents. In case of repetitive complaints received in this regard against any employee/agent, the Bank will take appropriate action including blacklisting of such agents, where deemed fit. A dedicated helpline and email-id will be available for the cardholders to raise complaints against any act of mis-selling or harassment by the representative of the Bank.

3.10 Form Factor (MD – Chapter IV point 16)

- (a) The Bank will issue other form factors in place of/in addition to a plastic credit card such as wearables, after obtaining explicit consent from the customer.
- (b) Form factors will be subject to all the specific and general guidelines applicable to the respective cards.
- (c) The Bank will provide options for disabling or blocking the form factor in line with the instructions issued by the Reserve Bank from time to time.

3.11 Co-Branding Arrangements: (MD – Chapter V)

(a) Issue of Co-branded cards (MD – Chapter V point 17)

- The Bank will issue Co-branded credit cards subject to conditions stipulated under Chapter V of the Master Directions. The co-branded card will explicitly indicate that the card has been issued under a co-branding arrangement. The co-branding partner will not advertise/market the co-branded card as its own product. In all marketing/advertising material, the name of the Bank will be clearly shown.
- The co-branded card will prominently bear the branding of the Bank.
- The information relating to revenue sharing between the Bank and co-branding partner entity will be indicated to the cardholder and also displayed on the website of the Bank.

(b) Due diligence: (MD – Chapter V point 19)

The Bank will carry out due diligence in respect of the co-branding partner entity with which they intend to enter into tie-up for issue of such cards to protect themselves against reputation risk that they are exposed to in such an arrangement. The Bank will ensure that in cases where the proposed co-branding partner is a financial entity, it has obtained the necessary approvals from its regulator for entering into the co-branding arrangement.

Risk Mitigation:

Sl. No.	Risk Areas on Co-Branding arrangement	Risk Mitigants
1	Reputation Risk: Failure to conduct due diligence of the co-branding partner entity.	The Bank will carry out due diligence in respect of the co-branding partner entity with which it intends to enter into tie-up for issue of such cards to protect itself against reputation risk.
2	Operational Risk: Due to inadequate capacity or technology failure.	Due diligence measures involving evaluation of financial soundness, prior experience and the ability to service commitments even under adverse conditions will be undertaken.
3	Legal Risk: Includes but is not limited to exposure to fines, penalties or punitive charges resulting from this arrangement.	Due diligence measures involving review of the contractual obligations, service level agreement and liability clause. The service level agreement will be reviewed periodically to prevent any exposure to fines, penalties or punitive charges.
4	Contractual Risk: Inability to enforce the contract	The arrangement undertaken will be through a legally binding written document, duly

		vetted by the legal advisor for legal implications.
5	Compliance Risk: Privacy, Consumer laws and regulatory guidelines not adequately complied. Has inadequate compliance systems and controls.	1.Compliance with all the regulatory guidelines by ensuring adherence & process controls. 2. Periodic review of all guidelines and ensure adherence to the same.
6	Cybersecurity Risk: Potential data breaches or attacks due to insufficient security controls by the partner.	The Bank will verify the partner's cybersecurity measures, enforce industry-standard and regulatory requirements, conduct regular security assessments and require robust incident response plans.
7	Privacy Implementation Risk: Improper handling or misuse of customer data leading to compliance issues	The Bank will verify the partner's compliance with data privacy and regulatory requirements. It will review data governance practices, including access controls, data minimization, and clear policies on data use, retention, and sharing. Regular privacy audits and continuous monitoring will be conducted to ensure ongoing compliance and protection of customer data.
8	Fraud detection: Financial loss, regulatory non-compliance and reputational risk.	The Bank will implement real-time fraud detection tools to detect suspicious transactions at authorization level and trigger risk alert.
9	Risk Transaction monitoring: Financial loss, regulatory non-compliance and reputational risk.	The risk alerts will be handled by the 24/7 transaction monitoring team and necessary actions will be taken as appropriate such as blocking the card, etc.

(c) **Outsourcing of activities: (MD – Chapter V point 20)**

The Bank will be liable for the acts of the co-branding partner. The Bank will adhere to the guidelines on 'Managing Risks and Code of Conduct in Outsourcing of Financial Services by banks', as amended from time to time. The Bank will ensure that cashbacks, discounts and other offers advertised by a co-branding partner are delivered to the cardholder on time. The Bank will be liable for any delay or non-delivery of the same to the cardholders.

(d) Role of co-branding partner entity (MD – Chapter V point 21):

- The role of the co-branding partner entity under the tie-up arrangement will be limited to marketing/distribution of the cards and providing access to the cardholder for the goods/services that are offered.
- The co-branding partner (CBP) will not have access to information relating to transactions undertaken through the co-branded card. Post issuance of the card, the CBP will not be involved in any of the processes or the controls relating to the co-branded card except for being the initial point of contact in case of grievances. However, for the purpose of the cardholder's convenience, card transaction related data may be drawn directly from the Bank's system in an encrypted form and displayed in the CBP's platform with robust security. The information displayed through the CBP's platform will be visible only to the cardholder and will neither be accessed nor be stored by the CBP.

3.12 General Guidelines: (MD – Chapter VI point 23)

- (a) The Bank will maintain internal records to enable operations to be traced and errors to be rectified (taking into account the law of limitation for time-barred cases) as prescribed under 'Master Direction on Know Your Customer', as amended from time to time.
- (b) The cardholder will be provided with a record of the transactions after he/she has completed it, immediately in the form of receipt or another form such as bank statement/email/SMS.
- (c) With a view to reducing the instances of misuse of lost/stolen cards, the Bank will issue cards with advanced features that may evolve from time to time.
- (d) The Bank will adhere to the Standard Operating Procedure indicated in Annexure 3 to this Policy while deciding to block/deactivate/suspend a credit card. In such cases of blocking/deactivation/ suspension, the Bank will inform the cardholder immediately along with the reasons for the action through electronic means (SMS, email, etc.) and other available modes.
- (e) The Bank will block a lost card immediately on being informed by the cardholder.
- (f) The Bank will provide to the cardholder the detailed procedure to report the loss, theft or unauthorized use of card or PIN. The Bank will provide multiple channels such as a dedicated helpline, dedicated number for SMS, dedicated e-mail-id, Interactive Voice Response, clearly visible link on the website, internet banking and mobile-app or any other mode for reporting an unauthorized transaction on 24 x 7 basis and allow the customer to initiate the blocking of the card. The process for blocking the card, dedicated helpline as well as the SMS numbers, will be publicized and included in the billing statements.
- (g) The Bank will send a confirmation to the cardholder immediately after blocking the card.
- (h) The Bank will not dispatch a card to a customer unsolicited. In case of renewal of an existing card, the cardholder will be provided an option to decline the same if he/she wants to do so before dispatching the renewed card. Further, in case a card is blocked at the request of the cardholder, a replacement card in lieu of the blocked card will be issued with the explicit consent of the cardholder.
- (i) Any discounts, cashbacks, reward points, loyalty points or any other benefits offered by the Bank will be provided in a transparent manner including the source of such benefits. The accounting process for the same will be verifiable in the books of the Bank. Detailed information regarding

these benefits will be displayed on the website of the Bank and a copy of the same will also be provided to the cardholder.

- (j) In the case of an insurance cover provided with a card, the Bank will ensure that the relevant nomination details are recorded by the Insurance Company and the availability of insurance is included, along with other information, in every statement. The information will include the details regarding the insurance cover, name/address and telephone number of the Insurance Company which will handle the claims relating to the insurance cover.

3.13 Terms and conditions for issue of cards to customers: (MD – Chapter VI point 24)

- (a) The relationship between the Bank and the cardholder will be contractual. The Bank will make available to the cardholders in writing a set of contractual terms and conditions governing the issue and use of such cards. These terms will be expressed clearly and also maintain a fair balance between the interests of the parties concerned.
- (b) The terms and conditions for the issuance and usage of a card will be mentioned in clear and simple language comprehensible to the cardholder, in English, Hindi and local languages.
- (c) The Bank will not levy any charge that was not explicitly indicated to the cardholder at the time of issue of the card without getting his/her explicit consent. However, this will not be applicable to charges like service taxes which may subsequently be levied by the Government or any other statutory authority. The details of all the charges associated with cards will be displayed on the website of the Bank.
- (d) The convenience fee, if any, charged on specific transactions, will be indicated to the cardholder in a transparent manner, prior to the transaction.
- (e) The terms will clearly specify the time for reversal of unsuccessful/failed transactions and the compensation payable for failure to meet the specified timeline.
- (f) The terms may be altered by the Bank, but 30 days' notice of the change will be given to the cardholder to enable him/her to withdraw if he/she so chooses. After the notice period of 30 days, the cardholder would be deemed to have accepted the terms if he/she had not withdrawn the card during the specified period. The change in terms will be notified to the cardholder through all the communication channels available.
- (g) The terms will put the cardholder under an obligation to take all appropriate steps to keep the card safe and not to record the PIN or code, in any form that would be intelligible or otherwise accessible to any third party if access is gained to such a record, either honestly or dishonestly.
- (h) The terms will specify that the Bank will exercise care when issuing PINs or codes and will be under an obligation not to disclose the cardholder's PIN or code to anyone, except to the cardholder.

3.14 Customer Protection

Lost Card Liability:

This will cover transactions at merchant outlets and online portals on lost/ stolen cards as per the limit of up to 30 days pre-reporting and 7 days post-reporting. Coverage of Lost Card Liability will be payable only on PIN-based transactions.

The process of claim will include the following:

- a. Police Acknowledgement of any kind / First Information Report and
- b. Letter to the bank branch giving details of the issue.

Limiting Liability of cardholder in Unauthorized Electronic Banking Transactions:

The Bank will have suitable processes and robust systems to ensure safety and security of electronic banking transactions and timely detection / mitigation of fraudulent transactions. The liability of a cardholder in various situations is indicated below:

- (a) A cardholder will have zero liability if,
 - i. The contributory fraud / negligence or deficiency is on the part of the Bank (irrespective of transaction being reported by the cardholder or not).
 - ii. A third-party breach where the deficiency lies neither with the Bank nor with the cardholder but lies in the system and the cardholder notifies the Bank of the anomaly in the transaction within 3 working days of receipt of the transaction alert from the Bank.

Limited Liability of a Customer

- (a) In cases where the loss is due to negligence by a customer, such as where he has shared the payment credentials, the customer will bear the entire loss until he reports the unauthorised transaction to the Bank. Any loss occurring after the reporting of the unauthorised transaction will be borne by the Bank.
- (b) In cases where the responsibility for the unauthorised electronic banking transaction lies neither with the Bank nor with the customer, but lies elsewhere in the system and when there is a delay (of **four to seven working days** after receiving the communication from the Bank) on the part of the customer in notifying the Bank of such a transaction, the per transaction liability of the customer will be limited to the transaction value or the amount mentioned in the below table, whichever is lower.

Table - Maximum Liability of a cardholder	
Type of Account	Maximum liability (Rs.)
Credit cards with limit upto Rs. 5 lakhs	10,000
Credit cards with limit above Rs.5 lakh	25,000

- (b) The cardholder will be fully liable where the date of reporting is beyond 7 days from the date of the transaction. However, the Bank may, at its discretion, waive off the liability of the cardholder partly or fully. While considering the waiver, the Bank will consider the overall relationship value, personal exigencies of the cardholder and any other reasonable grounds leading to delay in reporting.

Settlement of customer liability

- (a) The Bank will credit the amount involved in the unauthorized electronic transaction to the cardholder's account within 10 working days from the date of such notification by the customer (without waiting for settlement of insurance claim, if any).

3.15 Compliance with other instructions: (MD – Chapter VI point 25)

- (a) The issue of cards as a payment mechanism will also be subject to relevant instructions on cash withdrawal, issue of international card, security issues and risk mitigation measures, card-to-card fund transfers, merchant discount rates structure, failed ATM transactions, etc., issued by the Department of Payment and Settlement Systems, Reserve Bank of India under the Payment and Settlement Systems Act, 2007, and the Foreign Exchange Department, Reserve Bank of India under Foreign Exchange Management Act, 1999, as amended from time to time.
- (b) **Digital Lending:** The Bank will comply with the digital lending guidelines issued by RBI from time to time.
- (c) **Limited Liability:** The Bank will comply with the Limited liability guidelines issued by RBI from time to time.
- (d) **Prepaid Cards Guidelines:** The Bank will comply with the PPI guidelines as issued by RBI from time to time. The Board-approved policy governing Prepaid products will be adhered to.

3.16 Redressal of Grievances: (MD – Chapter VI point 26)

- (a) Customer complaints and grievances will be handled through multiple channels such as Branch, Call-Centre and self-service channels (Internet / Mobile banking).
- (b) The contact details (Branch or the Principal Nodal Officer of the Bank) of the Help Desk and escalation process of complaints will be provided on the Bank's website. The name, direct contact number, email-id and postal address of the designated Grievance Redressal Officer of the Bank will be mentioned on the credit card bills and account statements.
- (c) The Bank has a separate Customer Grievance Redressal Policy to address Customer Complaints, Grievances and Redressal through service delivery.
- (d) The Grievance Redressal procedure and the Board-approved policy will be displayed on the website with a clearly visible link on the homepage.
- (e) The Bank will train the call center staff adequately for them to competently handle and escalate a complaint, if necessary. The Grievance Redressal process will have a provision for automatic escalation of unresolved complaints from a call center/base level to higher authorities. There will be a system of acknowledging customers' complaints for follow up, such as complaint number/docket number, even if the complaints are received over phone.
- (f) The Bank will be liable to compensate the complainant for the loss of his/her time, expenses, financial loss as well as for the harassment and mental anguish suffered by him/her for the fault of the Bank and where the grievance has not been redressed in time. If a complainant does not get a

satisfactory response from the Bank within a maximum period of 30 days from the date of lodging the complaint, he/she will have the option to approach the Office of the RBI Ombudsman under the Integrated Ombudsman Scheme for redressal of his/her grievance/s.

3.17 Confidentiality of customer information (MD – Chapter VI point 27)

- (a) The Bank will not reveal any information relating to customers obtained at the time of opening the account or issuing the card to any other person or organization without obtaining their explicit consent, with regard to the purpose/s for which the information will be used and the organizations with whom the information will be shared. The Bank will ensure strict compliance with the extant legal framework on data protection. Further, in case where the customers give explicit consent for sharing the information provided by them with other agencies, the Bank will clearly state and explain to the customer the full meaning/implications of the disclosure clause. The information sought from customers will not be of such nature which will violate the provisions of law relating to maintenance of secrecy in the transactions. The Bank will be solely responsible for the correctness or otherwise of the data provided for this purpose.
- (b) Under a co-branding arrangement, the co-branding entity will not be permitted to access any details of the customer's accounts that may violate the Bank's secrecy obligations.
- (c) The Bank will ensure that the pre-existing co-branding arrangement is in conformity with the provisions of the Policy and RBI Master Directions. In case the co-branding arrangement is with another bank, the card issuing bank will ensure compliance with the relevant regulatory provisions.

3.18 Outsourcing of various services: (MD – Chapter VI point 28)

The Bank will ensure adherence to the Master Direction DoS.CO.CSITEG/SEC.1/31.01.015/2023-24 dated April 10, 2023 on 'Outsourcing of Information Technology Services' and guidelines on Managing Risks and Code of Conduct in Outsourcing of Financial Services, as amended from time to time. Further, the Bank will not share card data (including transaction data) of the cardholders with the outsourcing partners unless sharing such data is essential to discharge the functions assigned to the latter. In case of sharing any data as stated above, explicit consent from the cardholder will be obtained. It will also be ensured that the storage and the ownership of card data remains with the Bank.

3.19 Compliance with Know Your Customer (KYC) Norms/Anti-Money Laundering (AML) Standards/Combating of Financing of Terrorism (CFT)/Obligation under the PMLA, 2002 (MD – Chapter VI point 29)

The instructions/Directions on KYC/AML/CFT issued by RBI from time to time, will be strictly adhered to in respect of all cards issued, including co-branded cards.

4 Provisions in policy over and above but in consonance with RBI guidelines – None

5 Changes to the Policy

Clause 3.2.1, 3.4 (b), 3.6 (d) and 3.11 (b)

6 Periodicity of Review of the Policy

The Board will review this policy within 18-24 months of the previous review or at such intervals as may be required considering regulatory and business exigencies.

Author of the Policy	Retail Assets
Reviewer of the Policy	Compliance
Name of Committee which recommended to the Policy Formulation Committee of the Board	Executive Policy Formulation Committee
Date of Board Approval	August 8, 2025
Date of Next Review	18-24 months of the previous review/Board approval

Annexure – 1

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.

Contents of the Most Important Terms and Conditions

The Bank will provide the cardholder the term-sheet containing the MITC. The document should contain the following details:

- (a) Fees and Charges
 - i. Joining fees for primary cardholder and for add-on cardholder/s
 - ii. Annual membership fees for primary and add-on cardholder/s
 - iii. Cash advance fee
 - iv. Service charges levied for transactions
 - v. Interest free (grace) period - illustrated with examples
 - vi. Finance charges for both revolving credit and cash advances
 - vii. Overdue interest charges - to be given on monthly & annualised basis
 - viii. Charges in case of default
- (b) Drawal Limits
 - i. Credit limit
 - ii. Available credit limit
 - iii. Cash withdrawal limit
- (c) Billing
 - i. Billing statements - periodicity and mode of sending
 - ii. Minimum amount payable
 - iii. Method of payment
 - iv. Resolution of billing disputes
 - v. Complete postal address of card-issuer
 - vi. Toll free number, email-id and dedicated telephone number for SMS for customer care services, contact details of Grievance Redressal Official
- (d) Default and Circumstances
 - i. Procedure including notice period for reporting a cardholder as defaulter
 - ii. Procedure for withdrawal of default report and the period within which the default report would be withdrawn after settlement of dues
 - iii. Recovery procedure in case of default
 - iv. Recovery of dues in case of death/permanent incapacitation of cardholder
 - v. Available insurance cover, if any, for cardholder and date of activation of policy including nomination details.
- (e) Termination/Revocation of Card Membership
 - i. Procedure for surrender/closure of card by cardholder
 - ii. Link provided exclusively for the above on the website
 - iii. Contact details for the cardholder to initiate closure – email-id, dedicated telephone number for SMS, IVRS

- iv. Procedure for closure of card account if the card has not been used for more than one year.
- (f) Loss/Theft/Misuse of Card
 - i. Procedure to be followed in case of loss/theft/ misuse of card - mode of intimation to card-issuer
 - ii. Prominently visible web-site link, phone banking, SMS, e-mail, IVR, a dedicated toll-free helpline, reporting to home branch, etc. for reporting unauthorised transactions and initiating blocking of card
 - iii. Liability of cardholder in case of (i) above in terms of RBI circular ref. DBR.No.Leg.BC.78/09.07.005/2017-18 dated July 6, 2017 on 'Customer Protection – Limiting Liability of Customers in Unauthorized Electronic banking Transactions' as updated from time to time.
- (g) Grievance Redressal and Compensation Framework
 - i. Grievance redressal and escalation process
 - ii. Timeline for redressal of grievances
 - iii. Compensation framework for unsuccessful/failed transactions, delay in redressal of grievance, delay in closing of account/blocking of lost or stolen cards, etc.
 - iv. Contact particulars of card-issuer - 24-hour call centres, email-ids, helpline, other important telephone numbers.
- (h) Disclosure

Type of information relating to cardholder to be disclosed with and without approval of cardholder.

Disclosure of the MITC - Items to be disclosed in stages:

- (a) During marketing - Item no: (a) above
- (b) At application - Key fact statement containing items from (a to c) and any additional information that the customer may desire.
- (c) Welcome kit - Item nos: all items from (a to h)
- (d) On billing - Item nos: (a, b and c)
- (e) On an ongoing basis, any change of the terms and conditions
- (f) Note:
 - i. The font size of MITC will be minimum Arial-12
 - ii. The normal terms and conditions communicated by the card-issuer to the cardholder at different stages shall continue as hitherto.

Annexure 2:

Procedure including notice period for reporting a cardholder as defaulter:

- a) Grace days of 3 days is allowed from the payment due date on credit card accounts, where payments are not overdue.
- b) The payment due date as mentioned on the credit card statement is the date by which clear funds must be credited to the credit card, however 3 grace days are provided to accommodate for processing time of payments.
- c) The Bank will report a credit card account as 'past due' to credit information companies (CICs) and levy late payment charges when a credit card account remains 'past due' for more than 3 days.
- d) The number of 'days past due' and late payment charges will, however, be computed from the payment due date mentioned in the credit card statement.
- e) In the event of default, the Card member will be sent reminders from time to time for settlement of any outstanding on the card account, by post, fax, telephone, e-mail, SMS messaging and/ or engaging third parties to remind, follow up and collect dues.
- f) In case the cardholder fails to make payment of either the Minimum Amount Due or the total amount due, under each monthly billing statement, the Bank will place a temporary block on the card and notify the customer of such non-payment and its intention to report the cardholder as defaulter to the Credit Information Companies (CIC) in case the cardholder fails to pay the Minimum Amount Due or the total amount due.
- g) In the event the cardholder settles his/her dues after having been reported as defaulter, the Bank will update the status with CIC within 30 days from the date of settlement.

Annexure 3: – SOP to block/deactivate/suspend a Credit Card

1. The cardholder will ensure usage of credit card as per the regulatory guidelines, terms and conditions and applicable policies of the Bank. In this regard, the Bank will run periodic checks on the Credit Card to identify unusual/deviant usage patterns, misuse of features/ offers / other benefits, fraudulent or suspected usage in the card etc.
2. In such a scenario, the Bank can temporarily block/permanently block /deactivate / suspend the concerned Credit Card and add-on cards thereof as appropriate and withhold/cancel the Cashback/reward points earned at customer level, without any notice to the Cardholder.
3. It will also be ensured that blocking/deactivating/suspending a card or withdrawal of benefits available on any card is immediately intimated to the cardholder along with reasons thereof through electronic means (SMS, email, etc.) and other available modes.