MANAPPURAM FINANCE LTD

FAIR PRACTICE CODE POLICY

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A) PREAMBLE / INTRODUCTION

The Fair Practice Code (FPC) has been formulated by Manappuram Finance Ltd. (the Company) in response to guidelines issued by Reserve Bank of India vide Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, November 28th 2025

B) OBJECTIVES

The objectives of the FPC are as below.
i) Adopt the best practices in dealing with customers.
ii) Set challenging benchmarks and strive to achieve high operating standards for ensuring customer satisfaction.
iii) Follow transparent, fair, ethical, and legally tenable practices while conducting business.
iv) Provide all necessary information and input to customers / prospective customers and promote a mutually beneficial long-term relationship.
v) Facilitate a continuously growing base of satisfied customers while scrupulously avoiding acquisition of customers having doubtful credentials or criminal background.

C) APPLICABILITY

The FPC will be applicable to all the offices of the Company including the Head Office, Valappad, Thrissur, Kerala, the Regional Offices located in various centers and the Branches located across India. The FPC shall be binding on all the employees and officers of the Company.

D) DECLARATIONS & COMMITMENTS

i) The Company undertakes to abide by all applicable laws, regulations and guidelines passed / issued by the Regulators (Reserve Bank of India, SEBI, IRDA etc.) and other competent authorities such as Government, Local Authority etc.
ii) The Company commits itself to full customer satisfaction through efficient, professional, and courteous services across all its offices.
iii) The Company shall consistently strive to meet with and improve upon the internally set benchmarks and practices and be ahead of the standards prevalent in the industry.
iv) The Company undertakes not to discriminate customers on grounds of religion, caste, gender or language.

v) The Company will provide clear and full information about its products and services to its customers/ Prospective customers and will not resort to any misleading or potentially misguiding advertisement/publicity

vi) The Company undertakes to desist from introducing any products / services having elements of hidden charges or lack of transparency.

vii) The Company will communicate in the local language with the customers and in English at the request of the customer.

viii) The Company undertakes to take all possible and reasonable measures to secure the safe custody of the security pledged by the customer and to compensate the customer for any accidental, inadvertent, or fraudulent loss of the security whilst in the custody of the Company.

ix) The Company undertakes not to take advantage of any unintentional or clerical error made by the customer while transacting business.

x) The Company is committed to putting in place a system for promptly addressing complaints and suggestions of the customers supplemented with a structured Grievance Redressal Mechanism having an escalation matrix.

xi) The Company shall display the FPC on its website and make available to the Customer, on request, a copy of the FPC on demand.

xii) The Company shall give at least three months public notice prior to the date of closure of any of its branches/offices in, at least, one leading national newspaper and a leading local (covering the place of branch/ office) vernacular newspaper indicating therein the purpose and arrangements being made to service the depositors, etc.

E) FAIR PRACTICES (Content)

(I) Loans, Terms & Conditions, Interest Rate

i) The Company shall make available loan application forms in the local language to all prospective customers free of cost at the concerned branches also mentioning the supporting documents to be submitted along with. An acknowledgement for receipt of duly completed loan application forms will be given to the customer in all cases. Preferably, the time frame within which loan applications will be disposed of shall also be indicated in the acknowledgement. Disbursement of the loan and acceptance of security will be carried out nearly simultaneously.

ii) The Company shall disclose all relevant information relating to a loan / product in the loan application form such as eligible loan amount, interest rate, charges, interest calculation methodology, rebate on interest etc. before sanction of the loan to enable the customer / prospective customer to take an informed decision. The Customer / prospective customer will also be provided, on request, the detailed terms and conditions of the loan before sanction.

iii) The Company shall ensure that a loan sanction letter is given to the customer containing all the terms and conditions governing the loan facility in the local language or other language understood by the customer. The Company shall mention the penal charges applicable for late repayment in bold in the loan agreement. The Company shall furnish a copy of the loan agreement as understood by the borrower along with a copy each of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction / disbursement of loans. The loan sanction letter will also mention the loan amount, loan account number, interest rate, charges, loan processing fees etc. The loan sanction letter which will bear the signature of the authorized official of the company will also serve as a receipt for the security pledged at the branch by the customer.

iv) The Company will inform the borrower in writing of the loan amount sanctioned, along with all applicable terms and conditions, including the annualized rate of interest and the method of its application. The Company will obtain and maintain on record the borrower's acceptance of these terms and conditions.

v) Where the Company exercises the right of set-off or lien against the borrower, prior notice will be given with full particulars of the remaining claims and the conditions under which the Company is entitled to retain the securities till closure.

vi) In respect of an illiterate borrower, the terms and conditions of the loan agreement shall be clearly explained in the presence of an independent witness who is not an employee of the Company, and such witness acknowledgment shall form part of the loan documentation.

vii) The Company shall obtain the explicit consent of the customer before offering, enrolling or selling any financial product or service. Such consent shall be obtained through permissible modes and appropriately recorded. Where more than one product or service is offered, the customer shall be provided with the option to independently choose the desired product(s) or service(s) and consent shall be obtained accordingly. The Company shall preserve the customer's consent and related records for a period of one year from the date of cessation of the contractual agreement in respect of the product or service or such other period as may be prescribed under applicable regulatory requirements.

II) Key Facts Statement (KFS) for Loans & Advances

The following provisions shall be applicable for all retail and MSME term loan products extended by the Company:

i) The Company shall provide a Key Facts Statement (KFS) to all prospective borrowers to enable them to make an informed decision prior to execution of the loan agreement. The KFS shall be provided in a language understood by the borrower. The contents of the KFS shall be explained to

the borrower and an acknowledgement confirming understanding shall be obtained.

ii) The KFS shall be issued with a unique proposal number and shall have a validity period of at least three working days for loans with tenor of seven days or more, and one working day for loans with tenor of less than seven days. The Company shall be bound by the terms of the loan indicated in the KFS if accepted by the borrower within the validity period.

iii) The KFS shall include, inter alia, the Annual Percentage Rate (APR), which shall represent the effective annualized cost of the loan, along with a computation sheet and the amortization schedule for the entire loan tenor.

iv) All charges, including those recovered on behalf of third-party service providers such as insurance or legal charges, shall form part of the APR and shall be disclosed separately. Wherever such charges are collected, the Company shall provide receipts and relevant supporting documents to the borrower within a reasonable time.

v) The Company shall not levy any fees or charges that are not disclosed in the KFS, unless explicitly agreed to by the borrower.

vi) The KFS shall form an integral part of the loan agreement and shall be incorporated as a summary box within the loan documentation.

vii) The Company shall provide customers with clear, complete and adequate information regarding the key features of the product or service being offered before obtaining the customer's consent. Such information shall include, wherever applicable, details relating to fees, charges, interest rates, risks involved, financial commitments of the customer, lock-in conditions, exit terms including penalties and any other material terms and conditions necessary for making an informed decision. Wherever a prescribed format such as Key Facts Statement (KFS), Most Important Terms and Conditions (MITC) or any other regulatory disclosure format is applicable, the Company shall provide such disclosures in the prescribed manner.

III) Penal Charges in Loan Accounts

i) Any penalty levied for non-compliance with the 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 added to the applicable rate of interest. There will be no capitalisation of penal charges, i.e., no further interest shall be computed on such charges. However, this shall not affect the normal compounding of interest in the loan account, and the Company may charge interest on unpaid interest (including unpaid EMIs) at the contracted rate of interest until remediation.

ii) The material terms and conditions of loan contracts shall be defined in the credit policy of the Company and may vary depending on the category of loan and borrower profile.

iii) Penal charges shall be levied only for non-compliance with material terms and conditions, including default in repayment obligations. Such charges shall be reasonable, non-discriminatory, and applied only on the amount under default, in accordance with the Board-approved policy.

iv) The Company shall have in place a Board-approved policy governing penal charges or similar charges, by whatever name called.

v) In the case of loans sanctioned to individual borrowers for purposes other than business, the penal charges shall not be higher than those applicable to non-individual borrowers for similar instances of non-compliance of material terms and conditions.

vi) The quantum and rationale of penal charges shall be disclosed upfront in the loan agreement, Key Facts Statement (KFS) and other applicable loan documents. Such details shall also be made available on the website of the Company under the section relating to interest rates and service charges.
vii) Whenever reminders are issued to borrowers for non-compliance with material terms and conditions of the loan, the applicable penal charges shall be clearly communicated. Further, any instance of levy of penal charges shall be informed to the borrower along with the reason for such levy.

IV) Marketing & Promotion

The Company shall not in the normal course make any changes / modifications in the terms and conditions of the loan, including rate of interest, which could adversely affect the customer financially or otherwise. In abnormal circumstances when such changes / modifications are inevitable, keeping in view the new circumstances, adequate and proper notice shall be given to the customer in the vernacular language, or a language as understood by the borrower about any such change/modification.

i) The Company shall adopt fair, transparent and responsible practices in the advertising, marketing and sale of its own products and services as well as third-party products and services. All advertisements, promotional materials and marketing communications shall be clear, factual and not misleading, and shall provide adequate information to enable customers to make informed decisions. The Company shall have appropriate mechanisms to address instances of mis-selling in accordance with applicable regulatory requirements.

ii)The Company shall endeavour to offer financial products and services that are suitable and appropriate to the customer's needs, profile and financial circumstances. Before offering any product or service, the Company shall, wherever applicable, take into consideration factors such as the customer's requirements, financial circumstances, risk profile and other relevant information available with the Company.

iii)The Company shall provide adequate information regarding the features, benefits, risks, costs and obligations associated with the product or service to enable the customer to make an informed decision.

iv)The Company shall not engage in or permit any form of mis-selling of financial products or services, whether its own or those offered on behalf of a third party. The Company shall ensure that customers are provided with complete, accurate and transparent information regarding the products and services offered and that no product or service is sold without the customer's explicit consent or through misleading representations, concealment of material information or compulsory bundling of another product or service.

v) The Company shall also ensure that its policies and practices do not create incentives for mis-selling of products or services.

vi) The Company shall not make the availment of one product or service conditional upon the purchase of another product or service, whether offered by the Company or a third party, except where permitted under applicable laws, regulations or regulatory guidelines. Where the purchase of a third-party product or service is required as a risk mitigant in relation to a product or service offered by the Company, the customer shall be provided the option to obtain such product or service from a provider of his/her choice. Offering multiple products or services as a package based on the customer's voluntary consent or on a complimentary basis shall not be construed as compulsory bundling.

vii) Where the Company offers any third-party product or service, the Company shall clearly disclose to the customer the identity of the third-party product or service provider and the role of the Company in relation to such product or service. The Company shall not advertise, market or represent any third-party product or service as its own product or service and shall ensure that customers are provided with adequate information to make an informed decision.

viii) The Company shall ensure that its employees, Direct Selling Agents (DSAs), Direct Marketing Agents (DMAs), their sub-agents and representatives of third-party product/service providers engaged in sale or marketing activities:
a) Make upfront disclosure regarding applicable fees, charges, interest rates and other material features of the product or service being offered;
b) Communicate the terms and conditions and other relevant information necessary for understanding the product or service;

c) Respect the privacy and confidentiality of customer information and share such information only with the explicit consent of the customer or as required by law;
d) Not mislead or coerce customers in the purchase of any product or service;
e) Not make any false or unauthorised commitment on behalf of the Company;
f) Undertake telephonic contacts and visits to customers normally between 09:00 hours and 19:00 hours. Calls or visits outside such hours shall be undertaken only upon the customer's express request or authorisation.
g) Not visit a customer's residence, business or office premises without the customer's explicit consent;
h) Clearly identify themselves while interacting with customers and shall not falsely represent themselves as employees of the Company or misrepresent their identity, organisation or role.

ix) The Company shall send promotional communications relating to its products and services only to customers who have consented to receive such communications. Customers shall be provided with a simple and convenient mechanism to opt out of receiving such communications at any time.

x) The Company may obtain feedback from customers regarding products and services offered by it with a view to assessing customer understanding, improving service standards and preventing instances of mis-selling.

xi) The Company shall not deliberately promote a product with any ulterior / selfish motives or contrary to the customer requirements or expectations as disclosed by the customer. The Company will ensure that its personnel engaged in marketing and operations are suitably trained and instructed so as to preclude selling of its products by misrepresentation to the customer / prospective customer.
xii) The Board of the Company shall adopt an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances. The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers shall be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter.
xiii) The rates of interest and the approach for gradation of risks shall also be made available on the website of the companies or published in the relevant newspapers. The information published on the website or otherwise published shall be updated whenever there is a change in the rates of interest. The rate of interest must be annualized rate so that the borrower is aware of the exact rates that would be charged to the account.
xiv) The Company will not indulge in profiteering by charging usurious rates of interest on loans or take undue advantage of adverse market conditions. The rates of interest will be based on variables such as cost of funds, risk premium, loan scheme, loan per gram, profit margin etc. and shall be in conformity with the Interest Rate policy of the Company and Regulatory Guidelines

from time to time. It shall also, by and large, be in tune with industry practices and benchmarks.

xv) The Company may consider under certain situations a differentiated interest rate structure for its products as part of a framework based on defined parameters with the objective of market penetration or to counter competition as specified in the interest rate policy.

xvi) Full and updated information regarding loan schemes, rate of interest, loan per gram, charges etc. will be displayed on the website of the Company and also displayed in the branches. Complete or select information will also be made available through various media channels, posters, brochures, notices, displays etc. based on the decisions of the management of the Company from time to time.

xvii) The Company shall not charge interest from the date of loan sanction or execution of the loan agreement. Interest shall only be charged from the actual disbursement date of funds to the customer.

xviii) The Company shall not charge interest from the date of the cheque if the loan is disbursed via cheque and handed over to the customer at a later date.

xix) The Company shall charge interest only for the actual period the loan is outstanding for loans disbursed or repaid during the month, and not for the entire month.

xx) The Company shall give interest benefit to the customer for the advance remittance made, if one or more instalments are collected in advance.

(V) Recovery of Dues, Exercise of Lien & Delivery of Security

i) The Company will not, as a matter of fair dealing, normally recall the loan before the initially agreed tenure except in unanticipated or abnormal circumstances where the Company's interests are adversely affected e.g. when the security value diminishes substantially (substantial diminution refers to reduction in security value of 30% and more), when the quality of gold is not found to be acceptable, due to any regulatory / government directives etc. In all such cases proper and reasonable notice shall be given to the customer recalling the loan before expiry of the normal tenure. Decision to recall/accelerate payment or performance under the agreement shall be in consonance with the loan agreement.

ii) The Company will make all possible soft or persuasive efforts to get the customer to repay the dues without resorting to disposal of the security. The Company does not accept nor will it encourage the use any coercive or hard measures to recover its dues from the customer.

iii) The Company shall have in place a Board-approved policy governing the collection and recovery of loan dues, including taking possession of security through its employees or recovery agents, wherever applicable. The policy shall provide for fair and transparent recovery practices, triggers for initiation of recovery actions, graded recovery measures through an appropriate escalation mechanism, and a code of conduct for employees and recovery agents. The Company shall also endeavour to adopt a structured approach in dealing with borrowers facing financial distress, including pre-escalation engagement and guidance on available resolution options,

wherever applicable. Appropriate procedures shall also be followed for recovery of dues in the event of the demise of a borrower.

iv) The Company shall have appropriate provisions for compensating borrowers and guarantors for any loss arising from recovery actions undertaken by the Company, its employees or recovery agents, where such actions are found to be inconsistent with applicable regulatory requirements or the Company's approved policies and procedures.

v) An NBFC shall ensure that the disclosure of any borrower's / guarantor's information to its employees / recovery agencies is limited to the extent required to enable them to discharge their loan recovery related duties. Further, the NBFC shall put in place mitigants, including penal provisions, to ensure that its employees / recovery agencies do not misuse any customer information in any manner.

vi) The Company shall maintain records of the date, time and number of recovery-related calls made by its employees and/or recovery agents to borrowers and guarantors. Recovery-related calls made to borrowers/guarantors and calls received from borrowers/guarantors through the contact numbers communicated by the Company shall be recorded after informing the borrower/guarantor that the conversation is being recorded. Such records shall be preserved for a minimum period of six months from the date of the call or, in cases that are sub-judice, until final disposal of the matter. The Company shall take reasonable measures to ensure proper monitoring, preservation and confidentiality of such records.

vii) The Company shall ensure that the recovery targets, performance metrics, commission structures, incentive schemes or contractual remuneration arrangements applicable to its employees, recovery agencies or recovery agents do not encourage, incentivize or result in unfair, coercive, intimidating, abusive or otherwise harsh recovery practices. The incentive structure shall be consistent with fair treatment of borrowers and applicable regulatory requirements.

viii) The Company, its employees and recovery agents shall not engage in any harsh methods towards collection or recovery of loan dues. Without prejudice to the generality of the foregoing, such practices shall include use of abusive, threatening or intimidating language; making threatening or anonymous calls; excessive calling or messaging or contacting borrowers/guarantors beyond the prescribed hours; sending inappropriate messages through mobile or social media platforms; disclosing or posting borrower/guarantor information, personal details, photographs, audio or video recordings through social media; intimidating, harassing or publicly humiliating the borrower/guarantor, their relatives, referees, friends or co-workers; intruding upon their privacy; using or threatening to use violence or any similar means to harm the borrower/guarantor, their family, assets or reputation; and making false or misleading

representations regarding the loan dues or consequences of non-payment.

ix) The Company shall ensure that its employees and recovery agents engaged in recovery activities properly identify themselves while interacting with borrowers or guarantors, whether through telephone, electronic communication or in-person interactions. Recovery agents shall carry valid identity cards and authorisation documents issued by the Company or the recovery agency, as applicable, and shall produce the same upon request. The Company shall also ensure that borrowers are provided with appropriate details of the recovery agency, including the name, contact number and other relevant contact details of the recovery agency, as well as the details of the grievance redressal mechanism relating to recovery activities, wherever applicable.

x) The Company shall ensure that its employees and recovery agents engaged in collection or recovery of loan dues act in a fair, courteous and professional manner. Recovery-related discussions shall ordinarily be held only with the borrower or guarantor, as applicable, and only duly authorised representatives shall undertake recovery-related activities on behalf of the Company.
Recovery-related calls or visits shall normally be made only between 08:00 hours and 19:00 hours. Calls or visits outside such hours shall be undertaken only upon the express request or authorisation of the borrower or guarantor. The Company shall also endeavour to honour any reasonable request of the borrower or guarantor to avoid contact at a particular time.

xi) The Company shall endeavour to contact borrowers or guarantors at their preferred place of interaction, wherever such preference has been communicated. Recovery-related calls or visits shall be avoided during inappropriate occasions such as bereavement in the family, medical emergencies, marriage functions, calamities or other similar circumstances.

xii) Any written communication relating to recovery shall clearly contain the name and contact details of the sender. Proper acknowledgement or receipt shall be provided for amounts collected or recovered from borrowers or guarantors.

xi) The Company will deliver the security (gold) to the customer immediately upon closure of the loan in the same condition as was at the time of sanction of the loan. The Company shall release all the original movable / immovable property documents and remove charges registered with any registry within a period of 30 days after full repayment/ closure of the loan account. In case of delay in releasing of original movable/immovable property documents or failing to file charge satisfaction form with relevant registry beyond 30 days after full repayment/ closure of loan, the Company shall communicate to the borrower reasons for such delay. In case where the delay is attributable to the Company, it shall compensate the borrower at the rate of ₹5,000 for each day of delay.

xiv) The borrower shall be given the option of collecting the original movable/ immovable property documents either from the banking outlet/branch where the loan account was serviced or any other office of the Company where the documents are available, as per her/his preference. The timeline and place of return of original movable/immovable property documents shall be mentioned in the loan sanction letters issued on or after the effective date.

xv) In case of any damage caused to the security (gold) due to mishandling by its employees, the Company shall at its cost get the damage repaired or alternately pay reasonable compensation to the customer on a case-to-case basis. In case of loss/damage to original movable/immovable property documents, either in part or in full, the Company shall assist the borrower in obtaining duplicate/certified copies of the movable/immovable property documents and shall bear the associated costs. However, in such cases, an additional time of 30 days will be available to the Company to complete this procedure and the delayed penalty period will be calculated thereafter (i.e., after a total period of 60 days).If the security (gold) has signs of damage thereon, before being taken custody of by the Company at the time of sanction of loan, the fact will be briefly incorporated in the sanction letter (pawn ticket).

xvi) The Company will exercise only legitimate right of lien over the pledged security or such cash surplus as may arise upon closure of existing loans at any time. Such right of lien shall arise only if the customer has any other dues, either directly or as guarantor, and will be subject to proper intimation of such right of lien being given to the customer by the Company.

xvii) The Company shall issue a signed and, normally, a system generated receipt for all cash payments made by the customer immediately. The Company shall also accept payments vide cheques, demand drafts, electronic transfers etc. subject to the condition that return of the security will be made only after confirmation of realization.

xviii) Even though the loan sanction letter contains all applicable terms and conditions of the loan the Company shall, nevertheless, endeavor, on a best effort basis, to send advices, reminders etc. regarding due date for payment of interest, principal etc. by letter, courier service, telephone, SMS etc.

xix) The Company shall, on demand, provide the customer or his duly authorized representative with a statement of the loan account at any time during the currency of the loan or immediately upon closure. However, the Company may, at its discretion, require payment of reasonable processing charges by the customer for providing statement of account if such demand is made 30 calendar days after closure of the account.

xx) The Company will resort to disposal of security only as a last resort and that too after adequate and proper notice is served on the customer to repay the dues. Such notice will be as per the terms contained in the sanction letter and also in compliance with applicable laws and regulatory guidelines. The disposal of the security will be taken up through public auction when the customer does not positively respond to the communications sent by the Company to close the loan account along with interest and other charges.

xxi) Where the Company proposes to dispose of the security even before the normal tenure of the loan based on the rights conferred on the Company vide loan application and loan sanction letter adequate and proper notice will be served on the customer before such action is initiated for recovery of dues.

xxii) The Company prefers and encourages customers to take back delivery of the security immediately upon full closure of all dues. However, should there be exceptional instance of the Customer being unable to take delivery of the security, not attributable to the inability of the Company, after closure of the loan account reasonable safe custody charges may be payable which will be duly advised to the customer or displayed in the branch premises and the Company's website.

xxiii) The Company will not interfere in the affairs of the customers except for the purposes mentioned in the terms & conditions of the loan or when constrained to do so due to inadequate or false disclosures made by the borrower at the time of putting through the transactions.

xxiv) In order to address the contingent event of demise of the sole borrower or joint borrowers, the Company shall have a well laid out procedure for return of original movable/immovable property documents to the legal heirs. Such procedure shall be displayed on the website of the Company along with other similar policies and procedures for customer information.

VI) Customer Service & Grievance Redressal

i. The Company will implement all possible steps to prevent and minimize customer complaints / grievances.
ii. The Company will facilitate the customer to pay the whole or part of the dues at any of the branches of the Company subject to the condition that delivery of the pledged security(gold) shall be made only at the branch where loan was originally disbursed.
iii. The Board of Directors of the Company will put in place an effective Customer Grievance Redressal mechanism, details of which will be displayed on the website and in all the branches. Such a mechanism shall ensure that all disputes arising out of the decisions of lending institution's functionaries are heard and disposed of at least at the next higher level. The

mechanism will specify inter alia the names & designations of the officials with whom complaints can be registered, their postal address / telephone numbers/ email address, escalation matrix, time limit for acknowledging receipt of complaint, time limit for dealing with the complaint etc. It will also put in place at all offices where business is transacted, the complete contact details of the Centralized Receipt and Processing Centre (CRPC), Reserve Bank of India, Central visa, Sector 17, Chandigarh – 160017, so that the customers may directly approach the RBI in case their grievances are not redressed within one month of the receipt of complaints by the company"

iv. The Board of Directors shall also provide for periodical review of the compliance of the Fair Practices Code and the functioning of the grievance redressal mechanism at various levels of management. A consolidated report of such reviews shall be submitted to the Board at regular intervals, as may be prescribed by it.

v. The Company will put in place an effective training system to ensure that employees of the Company are customer friendly and do not resort to rude, inappropriate or unethical behavior.

vi. The Company will endeavor to work out and display the time norms for putting through and completing the various transactions.

vii. The Company will have a sympathetic approach to the problems faced by the customer, especially the poor and underprivileged sections.

viii. Decisions on the complaints shall be taken by a higher authority than the authority or office under whom such complaints was raised.

ix. The Company shall provide an appropriate mechanism for customers to lodge complaints relating to mis-selling of financial products or services. Such complaints may be lodged within the timelines prescribed under applicable regulatory requirements. Where no specific timeline has been prescribed by the concerned financial sector regulator, customers may lodge complaints within 30 days from the date of receipt of the signed copy of the terms and conditions or agreement. Where mis-selling of a financial product or service is established, the Company shall take appropriate corrective measures, including refund of the amount paid by the customer for purchase of the product or service, cancellation of the sale wherever applicable, and compensation for any loss suffered by the customer, in accordance with the Company's approved policy.

x. The Company shall maintain a dedicated mechanism for addressing grievances relating to recovery activities undertaken by the Company, its employees or recovery agents. The details of such grievance redressal mechanism, including the contact details of the designated grievance redressal officer, shall be communicated to the borrower through appropriate channels and shall be made available in recovery-related communications, wherever applicable.

VII) Repossession of Security (Commercial Vehicles)

i) The Company reserves the right to enforce security for recovery of dues on the terms and conditions stipulated in the loan agreement in case of default in payment or on the occurrence of any other event of default. During recovery of loans, the Company will not resort to undue harassment like bothering the borrowers at odd hours or use of force for recovery of loans.

ii) The Company would refrain from intervening in the affairs of the borrowers except as provided in the terms and conditions mentioned in the loan agreement, unless new information, not disclosed by the borrower, has come to the notice of the Company.

iii) The Company would not discriminate on grounds of sex, caste and religion in the matter of lending.

iv) In case of receipt of request for transfer of borrower account, either from the borrower or from a bank/non-banking finance company, which proposes to take over the account, the consent or otherwise i.e. objection of the Company, if any, would be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.

v) The Company must have a built-in re-possession clause in the contract/loan agreement with the borrower which must be legally enforceable. To ensure transparency, the terms and conditions of the contract/loan agreement shall also contain provisions regarding:

1. Notice period before taking possession;
2. Circumstances under which the notice period can be waived;
3. The procedure for taking possession of the security;
4. A provision regarding final chance to be given to the borrower for repayment of loan before the sale/ auction of the property;
5. The procedure for giving repossession to the borrower; and
6. The procedure for sale/auction of the property.

A copy of such terms and conditions must be made available to the borrower. The company shall invariably furnish a copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction/ disbursement of loans, which forms a key component of such contracts/ loan agreements.

vi) Repossession of security is aimed at recovery of dues and not to deprive the borrower of the security. The recovery process through repossession of security will involve repossession, valuation of security and realization of security, through appropriate means. All these would be carried out in a fair and transparent manner. Repossession will be done only after issuing proper notices. Due process of law will be followed while taking repossession of the security. The Company will take all reasonable care for ensuring the safety and security of the collateral

after taking custody, in the ordinary course of the business

vii) An appropriate grievance redressal mechanism would be put in place whereby disputes arising out of the decisions of Company's functionaries would be heard and disposed of.

VIII) Deployment of Technology based mechanism for recovery of loan dues

1. Where the Company deploys any technology-based mechanism for restricting or disabling the functionalities of a mobile device, such mechanism shall be used only in respect of mobile devices financed through a loan provided by the Company and in accordance with applicable regulatory requirements.

i. The acquisition of the concerned mobile device shall have been financed by the Company through a loan;

ii. The loan agreement shall expressly and unambiguously permit such action and clearly specify the procedure to be followed;

iii. Adequate prior notice shall be issued to the borrower detailing the overdue amount, repayment timelines and the proposed restrictions;

iv. No restriction shall be initiated until the loan account has become 30 days past due and the borrower has failed to regularise the account despite receipt of notices;

v. Restrictions shall be applied in a gradual manner and full restrictions shall be imposed only after the loan account has become 60 days past due;

vi. Outgoing call functionality shall not be restricted before the loan account has become 60 days past due;

vii. The Company and/or the service provider shall obtain certification of the technology-based mechanism from the Original Equipment Manufacturer (OEM) and/or Operating System platform, wherever applicable.

2.

(i)The Company shall adopt a gradual approach while applying restrictions on the functionalities of financed mobile devices and shall not disable the device ab initio. The Company shall ensure that functionalities deemed essential, including incoming calls, SMS and emergency SOS features, are not restricted or disabled. The restrictions imposed on the device shall not prevent the borrower from carrying out activities relating to employment, occupation or livelihood.

(ii)The Company shall ensure that borrowers have visibility regarding the status of restrictions imposed on their devices at all times. Restrictions imposed on device functionalities shall be removed expeditiously and in any event not later than one hour from the realisation of dues.

(iii)In the event of wrongful restrictions or delay in removal of restrictions for reasons attributable to the Company after realisation of dues, the borrower shall be compensated at the rate of ₹250 per hour until the wrongful action is remedied, subject to a maximum compensation amount equal to the loan amount disbursed.

(iv)The Company shall promptly relinquish access to, disable or remove the technology-based restriction mechanism upon full repayment of the loan. Where any action is required to be undertaken by the borrower for removal of such mechanism, the Company shall provide appropriate instructions and guidance.
(v)The borrower shall have the right to prepay the loan, either partly or fully, at any stage. The Company shall maintain an effective grievance redressal mechanism for resolution of complaints relating to restrictions, unlocking and restoration of device functionalities.

3. The Company and any service provider engaged by it for deployment of a technology-based device restriction mechanism shall not access or make use of any personal data available on the borrower's mobile device, including contacts, SMS, call logs, photographs, location history or similar personal information, for loan recovery purposes or for any other purpose. The Company shall ensure that the privacy and confidentiality of borrower information is protected at all times and that such information is not misused.

IX) Recovery and Auction Process – Vehicle Finance

Repossession will be initiated only after all efforts to regularize the default have failed, generally for accounts above 60 days past due (DPD), though it may be undertaken earlier in exceptional cases.
Prior to repossession, a Loan Recall Notice (LRN) will be issued to the borrower providing a minimum period of seven days to repay the dues. In case of non-compliance, repossession may be carried out with prior and post intimation to the nearest police station, and acknowledgement of such intimation shall be maintained.
In case of voluntary surrender of the vehicle by the borrower, a duly signed surrender letter will be obtained. In such cases, police intimation shall not be required.
Post repossession, the asset shall be sold within 60 days. A pre-sale notice providing seven days' time shall be issued to the borrower to settle the dues, A post-sale notice shall be issued within seven days after closure of the account.
The auction of repossessed vehicles shall be conducted through both online and offline modes.

X) Recovery and Auction Process – Mortgage Loans

The recovery and auction process for mortgage loans shall be initiated upon default by the borrower in repayment of loan obligations.
The Company shall issue appropriate notices to the borrower, providing an opportunity to repay the dues or regularize the account. In case of continued default, the Company may proceed with repossession of the mortgaged property in accordance with applicable legal provisions.
Upon repossession, the property shall be prepared for sale, including valuation and public notice,

as applicable. The sale or auction shall be conducted through transparent methods, including physical or online modes, and the property shall be sold to the highest bidder.
The proceeds from the sale shall be applied towards recovery of the outstanding loan amount, including applicable charges and expenses. Any surplus amount remaining after settlement of dues shall be returned to the borrower.

XI) Loan facilities to the physically/visually challenged

The Company shall not discriminate in extending products and facilities including loan facilities to physically/visually challenged applicants on grounds of disability. All branches of the Company shall render all possible assistance to such persons for availing of the various business facilities. The Company shall include a suitable module containing the rights of persons with disabilities guaranteed to them by the law and international conventions, in all the training programs conducted for their employees at all levels. Further, the Company shall ensure redressal of grievances of persons with disabilities under the Grievance Redressal Mechanism already set up by them.

XII) Lending against collateral of Gold Jewelry, Gold Ornaments and Coins

The company shall put in place Board approved policy for lending against gold that shall inter alia, cover the following:

(i) Adequate steps to ensure that the KYC guidelines stipulated by the Reserve Bank are complied with and to ensure that adequate due diligence is carried out on the customer before extending any loan,

(ii) Proper assaying procedure for the jewelry, gold ornaments and coins received. At the time of granting loans, the Company will assay the purity which is not to be considered as final. The company will re assess the purity in the event of the gold pledged being auctioned and the purity as assessed at the time of Auction will be final.

(iii) Internal systems to satisfy ownership of the gold jewelry, gold ornaments and coins

(iv) Adequate systems for storing the jewelry, gold ornaments and coins in safe custody, reviewing the systems on an on-going basis, training the staff concerned and periodic inspection by internal auditors to ensure that the procedures are strictly adhered to. Normally, such loans shall not be extended by branches that do not have appropriate facility for storage of the jewelry, gold ornaments and coins,

(v) The jewelry gold ornaments and coins accepted as collateral shall be appropriately insured,

(vi) Transparent auction procedure in case of non-repayment with adequate prior notice to the borrower. There shall be no conflict of interest and the auction process must ensure that there is arm's length relationship in all transactions during the auction including with group companies and related entities,

(vii) The auction shall be announced to the public by issue of advertisements in at least two newspapers, one in vernacular and another in national daily newspaper,

(viii) As a policy, the Company themselves shall not participate in the auctions held,

(ix) The Auction shall be conducted by MAFIL only through its Employee having necessary experience and /or training or Auctioneers empaneled by MAFIL with the approval of the Board,

(x) The policy shall also cover systems and procedures to be put in place for dealing with fraud including separation of duties of mobilization, execution and approval.

(xi) The Company will obtain a copy of the borrower's PAN Card for all applicable transactions. In cases where the borrower does not have a PAN, the Company will obtain Form 97 or such other declaration as prescribed under the Income Tax Rules from time to time, in accordance with regulatory requirements.

(xii) Documentation across all branches must be standardized.

XIII) Loans Sourced over Digital Lending Platforms: Adherence to Fair Practices Code and Outsourcing Guidelines

The Company shall, irrespective of whether the company lend through their own digital lending platform or through an outsourced lending platform, adhere to the Fair Practices Code guidelines in letter and spirit. They must also meticulously follow regulatory instructions on outsourcing of financial services and IT services.

It must be noted that the outsourcing of any activity by the Company does not diminish their obligations, as the onus of compliance with regulatory instructions rests solely with them. Wherever the Company engages digital lending platforms as their agents to source borrowers and/ or to recover dues, the Company must follow the following instructions:
i) Names of digital lending platforms engaged as agents shall be disclosed on the website of the

Company.

ii) Digital lending platforms engaged as agents shall be directed to disclose upfront to the customer, the name of the Company on whose behalf they are interacting with him.

iii) Immediately after sanction but before execution of the loan agreement, the sanction letter shall be issued to the borrower on the letter head of the Company.

iv)A copy of the loan agreement along with a copy of each of all enclosures quoted in the loan agreement shall be furnished to all borrowers at the time of sanction/ disbursement of loans.

v) Effective oversight and monitoring shall be ensured over the digital lending platforms engaged by the Company.

vi)Adequate efforts shall be made towards creation of awareness about the grievance redressal mechanism.

Any violation in this regard will be viewed seriously.

F) MISCELLANEOUS

i) The Company shall display the normal business hours at the respective branches, the list of holidays and notify the changes, if any, by way of a notice displayed on the premises of the branch or through press notification.

ii) Personal information of the customer will not be shared with unauthorized persons or agencies or third parties by the Company. However, the Company will be bound to honor and comply with legal or regulatory requirements, if any, in this matter obligating it to part with such information even without notice to the customer.

iii) Wherever locker facility is extended by the Company through its branches, it shall be ensured that appropriate disclosures are in place to communicate to the customers that the activity is not regulated by the Reserve Bank.