

POLICY ON FAIR PRACTICES CODE

Manba Finance Limited being a Non- Banking Finance Company (NBFC) has formulated its guidelines on Fair Practice Code according to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

The Fair Practices Code is aimed to provide to the customers/borrowers an effective overview of the practices which will be followed by the Company in respect of the financial facilities and services offered by it to its customers/borrowers. The Code will facilitate the customers/borrowers to take informed decisions in respect of the financial facilities and services to be availed by them and will apply to any loan that the Company may sanction and disburse.

Any subsequent revision in the RBI Guidelines related to Fair Practice Code, the revised RBI guidelines will supersede, the current Fair Practice Code to the extent it is not in compliance with the updated guidelines / instructions.

FAIR PRACTICES CODE:

1. Application of the FPC:

The FPC applies to all products offered by the Company. The Company will continue to evaluate multiple products to meet the financing requirements of its customers/borrowers. The FPC will continue to apply to any product that is developed and provided by the Company to its customers/borrowers.

2. Objective of the FPC:

The FPC has been developed with the following objectives:

- (a) Promote fair practices by setting minimum standards in dealing with customers/borrowers;
- (b) Increase transparency through requisite disclosures by the Company as may be relevant to the customer/borrower and as prescribed by the Reserve Bank of India (RBI) from time to time.
- (c) Foster customer/borrower confidence in the Company.
- (d) Giving verbal information about the financial schemes in English and/or a local vernacular language as understood by the customer/borrower;
- (e) Ensuring that our advertising and promotional literature are clear and not misleading;
- (f) Explaining financial implications of the transactions;
- (g) Deal quickly and systematically with things that go wrong, by correcting mistakes, handling and resolving customer's complaints efficiently and guiding them;

3. Non-Discrimination Policy:

We shall not discriminate between our customers/borrowers or their representatives on the basis of gender, race, religion, age, caste, marital status or disability.

4. Information:

- (a) Guide customer in selection of products, which meet their requirement and give them clear information explaining the key features of the services and products they are interested in.

(b) Inform the customers about the documents and information that the Company needs from them to establish customer's true identity and address and other documents to comply with regulatory requirements.

5. Applications for loans and their processing:

(a) All communications to the customer/borrower shall be in the vernacular language or a language as understood by the customer/borrower;

(b) Loan application forms are available in English/explained in vernacular language and made understood in the vernacular language of the applicant for easy examination/understanding by the prospective borrowers.

(c) Loan application forms issued by the Company shall include necessary information which affects the interest of the customer/borrower, so that a meaningful comparison with the terms and conditions offered by other Company can be made and informed decision can be taken by the customer/borrower. The loan application form shall indicate the documents required to be submitted with the application form.

(d) The Company shall issue an acknowledgement for receipt of all loan applications. The time frame within which loan applications will be disposed of shall be indicated in the acknowledgement.

(e) The Company shall verify the loan applications within a reasonable period of time and if additional details/documents are required, it will accordingly intimate the customer/borrower.

6. Loan appraisal and terms/conditions:

(a) The Company shall conduct a due diligence on the creditworthiness of the customer/borrower, which will be an important parameter for taking a decision on the application. The assessment would be in line with the Company's credit policies, norms and procedures in respect thereof.

(b) The Company shall convey in writing to the customer/borrower in the vernacular language as understood by the customer/borrower by means of a Sanction Letter/Term Sheet or otherwise, the amount of loan sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof. It would keep the acceptance of these terms and conditions by the customer/borrower on its record.

(c) The Company shall furnish a copy of the loan agreement in English or the vernacular language as understood by the customer/borrower along with a copy each of all enclosures quoted in the loan agreement to all the customers/borrowers at the time of sanction / disbursement of loans. Further, the Company shall mention the penalties charged for late repayment in bold in the loan agreement.

7. Penal Charges in Loan Accounts:

(a) Penalty, if charged, for non-compliance of material terms and conditions of loan contract by the borrower shall be treated as 'penal charges' and shall not be levied in the form of 'penal interest' that is added to the rate of interest charged on the advances. There shall be no capitalisation of penal charges i.e., no further interest computed on such charges. However, this will not affect the normal procedures for compounding of interest in the loan account.

(b) The Company shall not introduce any additional component to the rate of interest and ensure compliance in both letter and spirit.

(c) The Company shall formulate a Board approved policy on penal charges or similar charges on loans, by whatever name called.

(d) The quantum of penal charges shall be reasonable and commensurate with the non-compliance of material terms and conditions of loan contract without being discriminatory within a particular loan / product category.

(e) The quantum and reason for penal charges shall be clearly disclosed by Company to the customers in the loan agreement and most important terms & conditions in addition to being displayed on Company's website under Interest rates and Service Charges.

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

8. Disbursement of loans including changes in terms and conditions:

(a) The Company has framed appropriate internal principles and procedures for determining and ensuring that the interest rates and processing and other charges are not excessive. The Company shall, at the time of disbursement, ensure that these rates and charges are in strict adherence to the mentioned principles and procedures.

(b) The Company shall give notice to the customer/borrower in the vernacular language as understood by the customer/borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges, etc. The Company shall also ensure that changes in interest rates and charges are effected only prospectively. It could be done retrospectively only when (i) they are accepted by the customer/borrower in writing (ii) they are favourable to the customer/borrower. A suitable condition in this regard shall be incorporated in the loan agreement.

(c) Any decision to recall / accelerate payment or performance under the loan agreement shall be in consonance with the loan agreement.

(d) The Company shall release all securities offered by the customer/borrower on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim the Company may have against the customer/borrower. If such right of set off is to be exercised, the customer/borrower shall be given notice about the same with full particulars about the remaining claims and the conditions under which the Company is entitled to retain the securities till the relevant claim is settled/paid.

9. General:

(a) All communications to the customer/borrower shall be in English language or a language as understood by the customer/borrower.

(b) The Company shall refrain from interference in the affairs of the customer/borrower except for the purposes provided in the terms and conditions of the loan agreement (unless new information, not earlier disclosed by the customer/borrower, has come to the notice of the Company).

10. Grievance Redressal Mechanism

(a) The Company has a system and a procedure for receiving, registering and disposing of complaints and grievances. The grievance redressal mechanism will also deal with the issue/complaints/grievances relating to services provided by the outsourced agencies appointed by the Company.

(b) All disputes in relation to the products and services shall be heard and disposed of within 30 days from the date of receipt of the complete details in respect of the grievance.

(c) The Company has multiple channels of communication and following are modes through which customers can raise complaint with us:

Name: Ms. Krutika Vorani
Designation: Customer Relationship Manager (CRM),
Manba Finance Limited
Address: A-79, Road no 16,
Wagle Estate, Thane – 400604
Email: krutikas@manbafinance.com

- (d) Customer/Borrower can also contact our Grievance Redressal Officer/Principal Nodal Officer, the details of whom are mentioned below clearly stating the nature of their grievance along with necessary documents, if any.

Designation: Grievance Redressal Officer (Nodal Officer)
Address: Manba Finance Limited – 440012
E-mail ID: grievance@manbafinance.com

- (e) In case complaint / dispute is not redressed within a period of one month or if the borrower /customer is not satisfied with the decision of the Grievance Redressal Officer, the borrower/customer may appeal to the Officer-in-Charge of the Regional Office of DNBS of Reserve Bank of India at the below address:

Officer-in-Charge Reserve Bank of India
Department of Supervision,
4th Floor, Byculla Office Building, Opp. Mumbai Central Station, Byculla, Mumbai - 400 008
Phone: 022 23028140
Fax No.: 022 23022024
Email ID: nbfcomumbai@rbi.org.in

- (f) A consolidated report of periodical review of compliance of fair practice code and functioning of the grievances redressal mechanism at various levels of management may be submitted to the Board/Committee of Directors at regular intervals as may be prescribed by it.

11. Posting on Website:

Fair Practices Code, in English and Vernacular Languages shall be put up on the website of the Company for the information of the various stakeholders.

12. Policy for determining interest rates, processing and other charges:

To ensure that the customers/borrowers are not charged excessive interest rates and charges on loans and advances by the Company, the Board of the Company has adopted a policy for determining the interest rates, processing and other charges (“Interest Rate Policy”) and the same has been put up on the Company’s website <https://www.manbafinance.com>. The Board of the Company undertakes periodical review of the Interest Rate Policy, and any changes instituted will be uploaded on the Company’s website regularly.

13. Periodic Review:

The Company shall abide by this Fair Practice Code following the spirit of the Code and in the manner, it may be applicable to its business. The Company would also review and refine the FPC,

annually – based on its own experience and fresh guidelines, if any, to be issued by the RBI in this regard.

ANNEXURE A

Salient Features of Integrated Ombudsman Scheme, 2021

Applicability: - To services provided by Regulated Entity (RE) under the provisions of the Reserve Bank of India Act, 1934, the Banking Regulation Act, 1949, and the Payment and Settlement Systems, Act, 2007. Regulated Entity means a bank or a Non-Banking Financial Company or a System Participant as defined in the scheme or any other entity as may be specified by Reserve Bank from time to time to the extent not excluded under the scheme.

	MATTERS NOT CONSIDERED UNDER THE SCHEME:
	Commercial Judgement/ commercial decision of a Regulated Entity (RE).
	Dispute between vendor and Regulated Entity relating to outsourcing contract
	Grievance not addressed to Ombudsman directly.
	General grievances against Management or Executives of a Regulated Entity.
	Dispute in which action is initiated by a Regulated Entity in compliance with the order of a statutory or law enforcing authority.
	Service not within regulatory preview of the Reserve Bank.
	Dispute between Regulated Entities.
	Dispute involving the employer-employee relationship of a Regulated Entity.
	Dispute for which a remedy has been provided in Section 18 of the Credit Information Companies (Regulation) Act, 2005.
	Dispute pertaining to customers of Regulated Entity not included under the Scheme.
	COMPLAINT UNDER THE SCHEME SHALL NOT LIE UNLESS:
1.	Complainant had before making a complaint under the scheme, made a written complaint to Regulated Entity and- (a) Complaint got rejected wholly or partially and the complainant is not satisfied with reply or complainant had not received a reply within 30 days after Regulated Entity received complaint and (b) Complaint is made to Ombudsman within 1 year after complainant received reply from Regulated Entity or where no reply is received within 1 year and 30 days from date of the complaint.
2.	The complaint is not in respect of the same cause of action which is already – (a) Pending before Ombudsman or settled or dealt with on merit by Ombudsman, whether or not received from the same complainant or along with 1 or more complainant or parties concerned. (b) Pending before any Court, Tribunal or Arbitrator or settled or dealt with on merit by any Court, Tribunal or Arbitrator, whether or not received from the same complainant or along with 1 or more complainant or parties concerned. (c) Complaint in respect of the same cause of action does not include criminal proceeding pending or decided before a court or tribunal or any police investigation initiated in a criminal offence.
3.	Complaint is not abusive or frivolous or vexatious in nature.
4.	Complaint to Regulated Entity was made before the expiry of a period of limitation under the Limitation Act, 1963 for such claims.
5.	The complaint is lodged by the complainant personally or through the complainant personally other than the advocate unless complainant itself is an advocate.