



# FAIR PRACTICE CODE POLICY

**I. PREAMBLE**

The Reserve Bank of India, by its notification no. RBI/2015-16/16 DNBR(PD) CC.No.054/03.10.119/2015-16 dated July 01, 2015 along with all modifications, if any, has prescribed the broad guidelines on fair practices that are to be framed and approved by the Board of Directors of all Non-Banking Financial Companies (NBFCs) and should be published and disseminated on the website of the Company for the information of the public.

Megha Finloan Private Limited (hereinafter referred to as “MFPL” or “the Company”) has adopted the Fair Practices Code (“the FPC”) based on the guidelines issued by RBI to provide transparency in business dealings with its customers. The Company shall also make appropriate amendments in the FPC as and when required to meet the standards prescribed by RBI from time to time. Taking into consideration the nature of business of MFPL, it is proposed to establish the following as the FPC for the Company’s lending activities. Based on the current business of the Company, the FPC shall apply to the following category(ies) of products/services offered by the Company:

1. Unsecured Loan/Personal Loan
2. Any other loan as and when decided.

(Commitments made under Fair Practice Code are applicable on normal business environment).

**II. KEY OBJECTIVES**

As per Reserve Bank of India’s guidelines on Fair Practice Code, the MFPL has decided to follow the code based on certain objectives:

- a) To act fairly and reasonably in all the dealings with borrowers by ensuring that:
  - i. The Company’s products/services, procedures and practices will meet the broad requirements and standards in the FPC;
  - ii. The Company’s products/services will be in accordance with relevant laws and regulation as applicable for the time being in force;
  - iii. The Company’s dealings with its clients will be based on ethical principles of honesty, integrity and transparency.
- b) The Company will assist its clients in understanding as to what are the broad features of its financial products/services what are the benefits and risk involved in availing the same by:
  - i. Providing information about the products/services in simple manner;
  - ii. Explaining the financial implications of using the products and services.
- c) The Company will make every possible effort to ensure that its clients would have hassle-free experience in dealing with it. However, in case of error of commission and/or omissions, it shall:
  - i. Deal with the errors swiftly and efficiently;
  - ii. Provide the grievances redressal in a quick and efficient manner so as to ensure the satisfaction of the customers;
  - iii. Have escalation process, in the event of dissatisfaction of the client in handling his grievances.

**III. APPLICABILITY OF CODE**

The FPC will be applicable to the following broad areas:

- i. Loan applications and processing thereof;
- ii. Loan appraisal and terms/conditions;
- iii. Disbursement of loans including changes, if any, in terms and conditions;
- iv. Post disbursement supervision/monitoring;
- v. Other general provisions.

**i. Loan applications and processing thereof:**

- Loan Application Forms will be made available to the prospective borrowers on request.
- Loan documentation set will, inter alia, include the broad features and the terms and conditions governing the loan. This would enable the borrowers to take an informed decision by comparing and analysing the terms offered by the Company with other lenders in the market. The said Form shall also specify the documents required to be submitted by the borrowers.
- Loan Application may also list out the additional information required from the borrowers and their family members in order to enable the Company to create the database.
- Loan Application Form shall provide for giving an acknowledgment to the borrowers acknowledging receipt of the same.
- All the loan applications shall be disposed off within a period of 10 to 15 days from the date of receipt of duly completed Loan Application Forms together with the requisite documents and subject to receipt of all documents complying with prevailing rules and regulations by the borrower.
- All communication with the borrowers shall be in the language understood and confirmed by borrowers.

**ii. Loan appraisal and terms/conditions:**

- The Company shall consider all the loan applications keeping in mind the risk based assessment procedures adopted by it.
- The Company, before sanctioning the loan, would assess the ability of the borrowers to repay the loan.
- The grant of the loan shall be communicated to the borrowers in writing through a Sanction Letter. The borrowers shall give their acknowledgment in writing in token of their acceptance of terms and conditions governing the loan. The Sanction Letter shall contain the broad terms and conditions governing the loan including the Annualized Rate of Interest and method of application thereof.

- A copy of the loan documents including loan agreement and annexures thereof shall be made available to the borrower.
- The default interest rate will be mentioned in '**BOLD**' in the loan agreement.
- In case of lending under consortium arrangement, the participating NBFC/banks would decide the time frame to complete the appraisal of the proposal and communication of the decision and the Company will abide by the same.

**iii. Disbursements of loans including changes, if any, in terms and conditions:**

- Disbursement of amount of loans sanctioned may be made available to the borrowers on demand subject to completion of all formalities including execution of loan documents.
- Any change in the terms and conditions, disbursement schedule, interest rate, service charges, prepayment charges, etc. shall be notified to the borrowers in writing.
- Change in the interest rates and service charges shall be made applicable prospectively. The loan agreement shall contain a specific clause in this regard.

**iv. Post Disbursement Supervision:**

- The decision, if any, of the Company to recall/accelerate payment or performance of loan shall be in accordance with the terms and conditions of the Loan Agreement.
- The Company shall give reasonable time to the borrowers before recall the loan or asking for accelerating the payment or performance subject to the terms and conditions contained in the Loan Agreement and other related documents.
- The collateral lying with the Company may be released on receipt of full and final repayment of loans subject to any legitimate right or lien and set off for any other claim that the Company might have against the borrowers. However, in case where the borrower has availed facility allowing him to borrow/draw monies within the overall amount sanctioned as and when needed by him, the collateral may be retained by the Company for operational convenience and to protect its interest from potential default by the borrowers.

**v. Other General Provisions:**

- The Company shall refrain from interfering in the affairs of the borrowers except as provided in the terms and conditions governing the loan as contained in the loan documents (unless new information, not earlier disclosed by the borrower, has to come to its notice).

- The Company shall generally convey its consent within a reasonable period of time to all requests from the borrower to transfer the loan account of a particular borrower to other NBFC, bank or financial institution. Such transfer shall be in accordance with the contractual terms entered into with the borrower and in accordance with the statutes, rules, regulations and guidelines as may be applicable from time to time.
- The Company shall not discriminate on the grounds of gender, caste or religion in its lending policy and activities.
- In the case of recovery of loans, the Company shall resort to the usual measures, which are legally and legitimately available to it and as per laid down guidelines and extent provisions and shall operate within the legal framework.
- The Company shall provide the terms and conditions in respect of its lending activities or services whenever the borrower requests for the same.
- On request from borrower for closure of his loan account, the request will be executed within 7 days from receipt thereof request subject to clearance of pending dues and completion of all the formalities as prescribed by the Company. In case the request cannot be executed in the time frame stated above due to any reason, the same may be communicated to the borrower.

**IV. CONFIDENTIALITY**

- Unless authorized by the borrower, the Company will treat all his personal information as private and confidential.
- The Company may not reveal transaction details of the borrowers to any other persons except under following circumstances:
  - i. If the Company is required to provide the information to any statutory or regulatory body or bodies;
  - ii. If arising out of a duty to the public to reveal the information;
  - iii. If it is in the interest of the borrowers to provide such information (e.g. fraud prevention);
  - iv. If the borrower has authorized the Company to provide such information to its group/associate/entities or companies or any such person/entity as specifically agreed upon.

**V. COMPLAINTS**

In case of any complaint/grievances of the borrowers, the same shall be intimated by them in writing to the Grievance Redressal Officer. The Grievance Redressal Officer shall immediately make all possible efforts to redress the grievances. The Concerned employees shall guide the borrowers whom to lodge a complaint.

**VI. GRIEVANCE REDRESSAL MECHANISM**

The Company has provided for three tier Grievance Redressal Mechanism to resolve any of its customer's query/grievance.

**Level 1:**

The Customer may register his/her query/complaint to the Company which shall be addressed to the Grievance Redressal in connection with any matter pertaining to business practices, lending decisions, credit management, recovery and complaints relating to updation/alteration of credit information. The details of the Grievance Redressal Officer/ Compliance Officer are given as follows:

- **Name of the Assistant Grievance Redressal Officer:** Mr. Lalit Kumar Sharma
- **Address:** Near Nagarpalika Bhawan, Nawalgarh-333042, Jhunjhunu(Raj.)
- **Tel.:** +91-8432173213
- **Email:** [mfinloannwh@gmail.com](mailto:mfinloannwh@gmail.com), [mfinloan@gmail.com](mailto:mfinloan@gmail.com)

**Level 2:**

If the complaint is not resolved within 15 days, the customer shall complaint to Mr. Om Prakash, Director and Principal Nodal Officer of the Company at his following Email ID: [admin@meghafinloan.com](mailto:admin@meghafinloan.com).

**Level 3**

If the complaint/dispute is not redressed within a period of one month from the date of its receipt, the customer may appeal to:

General Manager,  
Department of Supervision,  
Reserve Bank of India,  
Ram Bagh Circle, Tonk Road,  
Email: [dosjaipur@rbi.org.in](mailto:dosjaipur@rbi.org.in)

**Points to be complied along with the redressal process thereof:**

- The above information shall be displayed outside the Head Office/branches/places where the business of the Company is transacted for the benefit of the customers.
- In case of complaints received, the concerned Relationship Manager would report the matter with full details within 2 days from date of receipt, to Compliance Department.
- The Compliance Department comprises of Compliance Officer of the Company shall take all necessary steps to redress and resolve the grievance, and will send a response as soon as possible and in any case not later than a maximum period of 15 days. If the complaint received from the customer is in respect of updation/alteration of credit information, the same shall be responded within 7 working days.
- Any unresolved/not replied grievance shall be escalated to the Compliance Officer of the Company and in case of complaint relating to updation/alteration of credit information, to the Consumer Protection Committee comprising of Nodal Officer, Compliance Officer and Grievance Redressal Officer, who shall take all necessary steps to redress and resolve the grievance and will send a response as soon as possible and in any case not later than a maximum period of 15 days of its receipt from the Compliance Department.
- If the unresolved/not replied grievance is not resolved by the Compliance Officer/Consumer Protection Committee within 15 days of its receipt, the same shall be escalated to the Director of the Company.
- The Status Report on all complaints shall be placed before the Board of Directors for their review on a quarterly basis by the Compliance Officer.

**VII. FORCE MAJEURE**

The various commitments outlined and made by the Company shall be applicable under the normal environment. In the event of any Force Majeure circumstances, the Company may not be able to fulfil the objectives under the FPC to the entire satisfaction of the borrowers, the stakeholders and the public in general.

**In order to augment the value and relevance to the borrowers, MFPL reserves the right to amend/alter/modify the code as mentioned herein above and provide updates from time to time, not affecting/sacrificing the underlining spirit of the code. Such changes/amendments may be displayed at the notice boards of the Branches/Corporate Office of the Company for the benefit and information of the Customer.**