

**Approved Guidelines on Fair Practice Code**

**(I) Application for Loan & Their Processing**

- (a) All communications to the borrower shall be in the vernacular language or a language as understood by the borrower.
- (b) Loan Application form would contain necessary information which affects the interest of barrower, so that meaningful comparison with the terms and conditions offered by other NBFCs can be made and informed decision can be taken by the borrower. The loan application form will indicate the documents required to be submitted with the application form.
- (c) The Company will give acknowledgement for receipt of all loan applications. Preferably, the time frame within which loan applications will be disposed of will also be indicated in the acknowledgement.

**(II) Loan Appraisal and terms/ Conditions**

- (a) The company would convey in writing to the borrower by means of sanction letter or otherwise, the amount of loan sanctioned along with terms and conditions including annualized rate of interest and method of application thereof and keeps the acceptance of these terms and conditions by borrower on its record.
- (b) The company would furnish a copy of the loan agreement along with a copy of each of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction/disbursement of loan.

**(III) Disbursement of Loans including changes in terms & conditions**

- (a) The company would give notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. The company would ensure that changes in interest rates and charges are effected only prospectively. The



Company would also incorporate a suitable condition in this regard in the loan agreement.

- (b) Decision to recall / accelerate payment or performance under agreement would be in consonance with loan agreement.
- (c) The company will release all securities 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 borrower. If such right of set off is to be exercised, the borrower shall be given notice about the same with full particulars about the remaining claim and the conditions which the company is entitled to retain till the relevant claim is settled/ paid.

**(IV) General**

- (a) The company would refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless new information, not earlier disclosed by the borrower, has come to the notice of the lender).
- (b) In case of receipt of request from the borrower for transfer of borrowal 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.
- (c) The company will not resort to undue harassment viz. persistently bothering the borrower at odd hours, use muscle power for recovery of loans etc., in matter of recovery of loans.

**(V) Grievance Redressal Mechanism**

- a) The company has laid down an appropriate grievance redressal mechanism within the organization to resolve disputes arising in this regard.



- b) Borrowers and others who have grievances in respect of decisions of the company may address their grievances to Mr. Surendra Kedia, the Director of the company.
- c) The Board will periodically review the compliance of this Fair Practices Code and the functioning of the grievance redressal mechanism at various levels of management.
- d) This Fair Practices Code will be displayed on the company's notice board for the information of the Borrowers. Any enhancement(s) or change(s) in the scope of this code will also be displayed from time to time in future on the said notice board.

**(VI) Regulation of Excess Interest Charged**

- a) The Company has adopted an interest rate model taking into account cost of funds, margin and risk premium for determining rate of interest to be charged for loans and advances
- b) The rate of interest to be charged depends much upon the gradation of the risk of borrower viz. the financial strength, business, regulatory environment affecting the business, competition, past history of the borrower etc.
- c) The rate of interest and approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers will be disclosed to the borrowers or customer in the application form and communicated explicitly in the sanction letter.
- d) The company will charge an annualized rate of interest, so that the borrower is aware of the exact rates that would be charged to the account.

For Manjushree United Capital Private Limited

  
**Surendra Kedia**  
Director  
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