



MAHAVIRA
Finlease Limited

MAHAVIRA FINLEASE LIMITED

FAIR PRACTICE CODE
2025

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1. Introduction

Reserve Bank of India (RBI) has prescribed guidelines on Fair Practices for all Non-Banking Financial Companies (NBFCs) for fair business and corporate practices while dealing with their customers on the basis of which Fair Practices Code (FPC) shall be put in place by NBFCs. RBI through Circular No 2012-13/416/DNBS. CC. PD No. 320/03.10.01/ 2012-13 dated 18th February, 2013 and recent RBI Circular RBI/2023-24/53 DoR.MCS.REC.28/01.01.001/2023-24 dated 18th August, 2023 and Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (SBR Framework) has prescribed broad guidelines on fair practices which, inter alia, include processing of application for loans, appraisal of loan, levy of penal charges, loan disbursement including changes in terms and conditions and certain other conditions/aspects which NBFCs need to follow.

The Fair Practice Code of the Company has been prepared in accordance with the RBI master directions / circulars / notifications to the extent applicable.

2. Background

MAHAVIRA FINLEASE LIMITED (hereinafter referred to as – “MFL”) is a public limited Company incorporated under the provisions of the Companies Act, 1956. MAHAVIRA FINLEASE LIMITED is a registered non-banking financial company without accepting public deposits with Reserve Bank of India vide number **B-14.02400** dated –14/08/1996.

3. Objective

The code has been developed with an objective of:

- Ensuring fair practices while dealing with customers;
- Greater transparency enabling customers in having a better understanding of the product and taking informed decisions;
- Building customer confidence in the company.

4. Application For Loans and Their Processing

- a) MFL official language for all communications within the Company or with third parties shall be in English.
- b) All communications with the borrower shall be in the English language. If borrower does not understand English, then we will provide the communication in a language as understood by the borrower.
- c) A loan application form of MFL includes necessary information which affects the interest of the borrower and a confirmation stating that the prospective borrower has understood the content thereof and the term sheet so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and informed decision can be taken by the borrower.
- d) The documents required to be submitted with the loan application including KYC documents will be informed to the borrower separately.
- e) Applications complete in all respects would be processed within a reasonable time frame and an acknowledgement for receipt of the same will be provided to the prospective borrower. The loan applications will be disposed of within a period of 60 days of receipt of application.

5. Loan Appraisal and Terms & Conditions

- a) MFL shall convey in writing to the borrower by means of approval letter /sanction letter or otherwise in English language, the amount of loan approved/sanctioned - along with the terms and conditions, including annualized rate of interest and method of application thereof. If borrower does not understand English, then we will provide the communication in vernacular language and/or as understood by the borrower.
- b) The acceptance of terms and conditions communicated by the borrower shall be preserved by MFL on its record and copy of the same shall be provided to the borrower upon its request.
- c) MFL furnish a copy of the loan agreement along with a copy each of enclosures, as applicable, to all the borrowers at the time of disbursement of loans.
- d) MFL Loan Agreement shall also mention in bold about the penal interest charged for late repayment.

6. 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 capitalization 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.

7. Disbursement of Loans Including Changes in Terms & Conditions

- a) MFL shall give notice to all its borrowers of any change in the terms and conditions - including disbursement schedule, interest rates, service charges, prepayment charges etc. and also ensure that changes in interest rates and charges are affected only prospectively. A suitable provision in this regard shall be incorporated in the loan agreement.
- b) Decision to recall / accelerate payment or performance under the agreement shall also be in consonance with the loan agreement.
- c) MFL shall release all securities on repayment of its full dues or on realization of the outstanding amount of the loan of the client subject to any legitimate right or lien for any other claim the Company may have against its borrowers. 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 claims and the conditions under which the Company is entitled to retain the securities till the relevant claim is settled / paid.

8. General Provisions

- a) MFL shall refrain from interference in the affairs of the borrower except for the purposes provided for in the terms and conditions of the loan agreement, unless new information, not earlier disclosed by the borrower, has come to its notice.
- b) In case of receipt of request from the borrower for transfer of borrower account, the consent or otherwise - i.e., objection of MFL, if any, would be conveyed to the borrower within 21 days from the date of receipt of any request. Such transfer shall be as per transparent contractual terms entered into with the borrower and in consonance with statutes, rules, regulations and guidelines as may be applicable from time to time.
- c) In the matter of recovery of loans, MFL shall resort only to remedies which are legally and legitimately available to it and will not resort to undue harassment viz persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, rude behavior etc.
- d) MFL shall ensure that the staff is adequately trained to deal with the customers in an appropriate manner.

9. Responsibility of Board of Directors

The Board of Directors of MFL shall lay down the appropriate grievance redressal mechanism within the organization to resolve disputes arising in this regard, which would include having centralized team catering to the investor complaints, a dedicated email id for receipt of the complaints it would be ensured that all disputes arising out of the decisions of Company's functionaries are heard and disposed under the supervision of the Principal officer or at such next higher level as determined by the Board of Directors. The Board of Directors shall also be provided for periodical review of the compliance of the Fair Practices Code and the functioning of the Grievances Redressal Mechanism at various levels of management. A consolidated report of such reviews shall also be submitted to the Board at regular intervals.

10. Grievance Redressal Mechanism

In order to make **MFL** redressal mechanism more meaningful and effective, a structured system has been built. The system would ensure that the redressal sought is just and fair and is within the given frame-work of rules and regulations.

Customers who wish to provide feedback or send in their complaint may use the following channels between 9:30 am and 6:00 pm, from Monday to Friday (except on national holidays).

The name and contact of the Grievance Officer are as follows:

The customers having grievance/complaint about our services may inform in writing to Nodal Officer for immediate resolution of the same.

Name: Mr. Prashant Mishra

Designation: Grievance Officer

Address: 193, Patparganj Industrial Area, Delhi 110092

Tel. No.: +91 9873008484

Email Id: grievance@mahavirafinlease.com

MFL shall respond to the complaint within 15 working days from the date of receipt/lodging of complaint.

If the issue still remains unresolved or in case the complaint/dispute is not addressed with a period of one month, the customer may approach:

The General Manger

Department of Non- Banking Supervision

Reserve Bank of India

6 Sansad Marg, New Delhi 110 001

Tel. No.: +91-11-2371 4456 / 2373 9318

Email Id: nbfcblnewdelhi@rbi.org.in

11. Force Majeure

The various commitments outlined and made by **MFL** are applicable under the normal operating environment. In the event of Force Majeure, **MFL** will not be able to fulfil the commitments under the Fair Practice Code to the entire satisfaction of the customer/s and the public in general.

12. Periodic Review – Fair Practice Code

MFL shall also review and refine the Code, as may be required periodically based on its own experience and fresh guidelines, if any, to be issued by the RBI in this regard.

MAHAVIRA FINLEASE LIMITED

Regd. Office: Property No 193 Patparganj Industrial Area,

Delhi - 110092

T- 011-42427474

CIN: U65921DL1996PLC191136

E-mail id: info@mahavirafinlease.com