



Jab zindagi badalni ho

FAIR PRACTICE CODE

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Head - Branch Operations	Head - O & CM	1.2	14.11.2020	Reviewed by the Board on 14.11.2020.
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1. Applications for Loans and their Processing.

Loan Applications will contain necessary information relating to the loan which affects the interest of the borrower and the details regarding the documents required to be submitted. Loan applications and documents will be in vernacular, or a language as understood by the borrower. Borrower will be required to produce necessary documents to comply with the KYC guidelines of RBI.

2. Loan Appraisal and terms/conditions.

Loan will be sanctioned immediately after the verification of identity/address proof and satisfactory appraisal of the gold ornaments and/or other valuables offered as security on the same day itself. The loan document (Pledge Form) showing the amount of the loan sanctioned and particulars of the security offered along with the terms and conditions of the loan, will be got signed by the Customer in token of acceptance of the terms and conditions. A copy of the Pledge Form/loan document will be issued to the Customer.

SME Loans and other unsecured loans will be disbursed immediately after completion of the loan documentation. Copy of the loan sanction letter will be handed over to the customer.

3. Rate of Interest

The Rates of Interest for various loan schemes offered by the Company are/have been approved by the Board of Directors. The annualised rate of interest for different schemes is available in the website under each product description. The annualised rate of interest as appropriate to the particular scheme opted by the borrower will be available in the respective pledge form/loan document. The Company will be charging interest based on the nature of the product and LTV wherever applicable for each product. There may be different interest rates for different States. Interest rates applicable to a scheme shall be communicated to the borrower before availing the loan and reflected in the relevant loan documents. Penal interest charged for late repayment, if any, will be mentioned in bold letters in the loan document/pledge form.

4. Disbursement of Loans including changes in Terms and Conditions.

- a. The Company will give due notice to the borrower of any change which shall be applicable prospectively in the terms and conditions and in the rate of interest and other charges, except default interest as already mentioned in the loan document.
- b. Decision to recall/ accelerate repayment or performance under the Agreement will be in consonance with the loan document.
- c. The Company will release all securities on payment of all dues on the date of settlement of the loan itself, subject to any legitimate right or lien for any other claims Muthoot Fincorp Ltd may have against the borrower. If such right is exercised, the Customer will be

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given notice about the same with full particulars about the remaining claims and the conditions under which Muthoot Fincorp Ltd is entitled to retain the securities till the relevant claim is settled.

5. General

- a. The Company will not interfere in the affairs of the borrower except for the purposes provided in the loan document.
- b. In case of receipt of request from the borrower for transfer of borrowed account, the consent or otherwise, if any, will be conveyed within 21 days from the date of receipt of request.
- c. The Company will not resort to undue harassment of the borrower for the recovery of the loans.

6. Policy Guidelines on Sale by Auction of Pledged Gold Ornaments

The following shall be the General Policy Guidelines for the Sale by Auction of Gold Ornaments pledged with the Company by the Customers:

- i) Gold Ornaments pledged with the Company, if not redeemed within tenure of the loan as per the loan agreement or if the loan is defaulted for non-payment of interest or principal, will be disposed of by the Company by sale by public auction. However, the Company will give due intimation to the Customer by Registered Post/ Courier about the auction at least 15 days before the date of auction. Details about the auction will be published in a vernacular newspaper and also in a national daily.
- ii) Auction will be conducted by an Auctioneer approved by the Board of Directors of the Company or as per the law in force in the respective states. The amount due to the Company by the Customer, being the aggregate of the principal and the up to date interest as well as other expenses including expenses for conducting auction, will be adjusted against the sale proceeds. The surplus if any after adjusting the dues from the auction proceeds will be refunded to the customer whereas the deficit if any thereof will be recovered from the borrower. The details about the auction including surplus/deficit will be communicated to the borrower within 45 days of the date of auction and excess refunded.
- iii) If at any time after the loan is granted, the Company has reasons to believe that a Customer has obtained loan through misrepresentation of facts and has failed to repay the loan with interest on demand, the Company shall not be bound to follow the above procedures but shall be at liberty to sell / auction the Gold Ornaments pledged by him / her in the manner deemed appropriate under the then prevailing circumstances.

The Company has also put in place Board approved Auction Policy dealing exhaustively with the policies and procedures relating to Auctions of pledged gold ornaments.

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7. Grievance Redressal Mechanism

Complaints from the borrowers on any functionaries or his decisions will be heard at higher levels. Borrowers can make the complaints including those pertaining to the services provided by the outsourced agencies at the email ID customercare@muthoot.com or in writing to the concerned **Nodal/Principal Nodal Officer or the Nodal officer** at Head Office. The name, address and contact No. of the Officers mentioned above are displayed at all Branches for information of the Customers.

If the complaint is not resolved to the satisfaction of the customers or not replied within a period of 30 days by the Regulated entity the customer can escalate the matter to the Ombudsman's office under the Reserve Bank - Integrated Ombudsman Scheme, 2021.

- The complaints under the Scheme can be registered on the portal (<https://cms.rbi.org.in>).
- Complaints can also be sent in physical mode to the 'Centralised Receipt and Processing Centre' set up at Reserve Bank of India, 4th Floor, Sector 17, Chandigarh - 160017 in the prescribed format.
- Complaint can also be registered at Contact Centre with a toll-free number – 14448 (9:30 am to 5:15 pm) in Hindi, English and in 8 regional languages.

8. This Fair Practices Code will be displayed in the Company's website.

