

FAIR PRACTICES CODE

OF

**MAITREYA CAPITAL AND BUSINESS
SERVICES PVT. LTD.**

**RBI REGISTERED NBFC
REGISTRATION NO. N-13.02103**

The Board of Directors of Maitreya Capital and Business Services Private Limited hereby resolve and adopt a Fair Practices Code which is in conformity with RBI's Circular DNBS (PD) CC NO.80/03.10.042 /2005- 06 of 28 September 2006, Circular DNBS.CC.PD.No.266/03.10.01/2010-11 dated March 26, 2012 and Circular DNBS.CC.PD.No.320/03.10.01/2012-13 dated February 18, 2013 and further subsequent amendments to these directions.

The Company's business will be conducted in accordance with prevailing statutory and regulatory requirements, with due focus on efficiency and customer-orientation.

Objectives of the Code

1. To ensure Fair practices in our dealings with customers.
2. To enable customers to take informed decisions about our financial products and services.
3. Promote good, fair, transparent and trustworthy practices by setting minimum standards in dealings with customers.

Application for Loans and their processing

1. All communications to the borrower will be in a language as understood by the borrower or a vernacular language as may be relevant
2. The Loan application forms issued to prospective customers will include necessary information, which is likely to affect the interest of the customer. The information would allow the prospective borrower to make a meaningful comparison with the terms and conditions offered by other NBFCs so as to make an informed decision.
3. The Loan Application Form will also indicate the list of documents required to be submitted by the prospective customers along with the Application form.
4. Prospective customers would be furnished an acknowledgement for receipt of the loan application.

Loan Appraisal and Term/Conditions

1. Loan application by prospective customer will be considered and loan amount will be approved on merit basis in accordance with the appraisal norms as laid down by the Company.

2. The Company shall convey in writing to the borrower by means of approval letter or otherwise, the amount of loan approved along with the terms and conditions, including the annualized rate of interest and method of application thereof.
3. The penal interest that will be charged for late payment shall be mentioned in bold letters in the sanction letter and in the subsequent loan agreement.
4. The Company shall keep record of customer's acceptance of all these terms and conditions.
5. The Company shall at the time of sanction / disbursement of the loan, furnish a copy of loan agreements and related enclosures to the customer.

Disbursement of loans/ Changes in terms and conditions

1. The loan shall be disbursed on executing Loan Agreements, other necessary documentation and completion of the formalities regarding creating a charge over the security offered by the borrower.
2. The Company 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. The changes shall be informed to the borrower in the vernacular or in a language known to the borrower.
3. Decision to recall/accelerate payment or performance shall be as per the covenants in the loan document.
4. The Company shall also ensure that changes in interest rates and charges are effected only prospectively.
5. The Company shall release all securities on repayment of its full 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 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.

Rate of Interest

1. The Company has laid down appropriate internal principles and procedure in determining interest rates, processing fees and other charges. The Company has adopted an interest rate model taking into account relevant factors such as, cost of funds, margin and risk premium, etc. and determine the rate of interest to be charged for loans and advances.
2. The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of customers shall be communicated explicitly in the sanction letter.
3. The rate of interest will be annualised so that the borrower is aware of the exact rates that would be charged to the account.
4. If penal interest is to be levied for late payment, it shall be mentioned in bold in the loan agreement.

Policy on KYC, Hypothecation of Assets, Re-possession of Assets financed by the Company

1. Adequate steps to ensure that the KYC guidelines stipulated by RBI are complied with and to ensure that adequate due diligence is carried out on the borrower before extending any loan.
2. Proper documentation of assets being financed or collateral/security being furnished by the borrower will be maintained. Such documentation should include Declaration from the borrower confirming ownership of assets/collateral being offered as security for the loan will be kept in records
3. The loan agreement/loan documentation with the customer will have a built in re-possession clause which is legally enforceable. The loan agreement will contain relevant provisions regarding:
 - a. notice period before taking possession;
 - b. circumstances under which the notice period can be waived;
 - c. the procedure for taking possession of the security;
 - d. a provision regarding final chance to be given to the borrower for repayment of loan before the sale / auction of the property;
 - e. the procedure for giving repossession to the borrower and
 - f. the procedure for sale / auction of the property

Grievance Redressal Mechanism

1. The Company has put in place a Grievance Redressal Mechanism policy for receiving and resolving complaints from customers.
2. The customers having grievance/ complaint about our services/ products may inform in writing to Nodal Officer for immediate resolution of the same.
3. If the complaint/dispute is not redressed within a period of one month, the customer may appeal to Officer-in-Charge of the Regional Office of Department of Non-Banking Supervision of Reserve Bank of India under the jurisdiction of which the Registered Office of the Company falls.
4. The details of the Regional Office of the Reserve Bank of India shall be displayed in the Office/ Branch(es) for the benefit of customers.

General

1. The Company will refrain from interference in the affairs of the customer except for the purposes provided for in the terms and conditions of the loan agreement (unless new information, not earlier disclosed by the customer, has come to the notice of the Company).
2. The Company will receive requests for transfer of borrowal accounts as such the consent of the Company or otherwise i.e. objections/refusal will 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.
3. In the matter of recovery of loans, our Company staffs will be adequately trained to deal with customers. The Company will call/pursue recoveries from delinquent customers during normal business hours unless special circumstances of the borrower's business require to call them otherwise outside such hours.

This policy has been approved at Board of Directors meet at Apr 1, 2023.