FAIR PRACTICES CODE

MAHAVEER FINANCE INDIA LIMITED

FAIR PRACTICES CODE (As amended on 14th February 2022)
Pursuant to the Notification issued by the Reserve Bank of India by its Circular No.DNBS.CC.PD.No.266/03.10.01/2011-12 dated 26th March 2012, Mahaveer Finance India Limited has formulated this Fair Practices Code to lay down the following procedures/practices in dealing with the business transactions and also amended the same from time to time.

I) Applications for loans and 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 Forms include necessary information, which affects the interest of the borrower, 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. The loan application form indicates the documents required to be submitted with the application form.

(c)The company shall give an acknowledgement for receipt of all loan applications. The time frame within which loan applications shall be disposed of is also indicated in the acknowledgement.

II) Loan appraisal and terms/conditions
The Company shall convey in writing to the borrower by means of sanction letter, the amount of loan sanctioned along with the terms and conditions including the rate of interest and method of application thereof. The Company shall keep the acceptance of these terms and conditions by the borrower on its record. The Company should mention the penal interest charged for late payment in bold in the loan agreement.

The Company should 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 loans.

III) Disbursement of loans including changes in terms and conditions
(a**)**The Company shall 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 shall ensure that changes in interest rates and charges are affected only prospectively. The Loan Agreement contains necessary provisions to this effect. The Company shall charge foreclosure charges/pre-payment penalties on loans subject to RBI guidelines.

(b)Decision to recall / accelerate payment or performance under the agreement shall be in consonance with the loan agreement.

(c)The Company shall 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

the 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 claims and the conditions under which the Company is entitled to retain the securities till the relevant claim is settled/paid.

IV) General
a.The Company shall 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 Company).

b.In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise i.e. the Company's objection, if any, shall 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.In the matter of recovery loans, consistent with its policy over the years, the company shall not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc. The Company's staff are adequately trained (including not to behave rudely with the customers) to deal with the customers in an appropriate manner. The contract / loan agreement with the borrower shall contain the repossession clauses in line with RBI Circular No.RBI/2008-09/454 DNBS (PD) CC.NO.139/03.10.001/2008-09 dated 24/04/2009.

V) Grievances, if any, in connection with this Code shall be addressed to Shri S.N.Varadarajan, Manager-Legal, Mahaveer Finance India Limited, K.G.Plaza, 3rd Floor, 41 – 44, General Patters Road, Chennai–600002, Tamil Nadu, Tel:044 28614477, Mobile: +91 9791034088.If the complaint/dispute is not redressed within a period of one month, the customer may appeal to the Officer-in-Charge of the Regional Office of Department of Non-Banking Supervision (DNBS), Reserve Bank of India, Rajaji Salai, Chennai – 600001, Tamil Nadu, Tel:044 2539406, Fax: 91 44 25393797, under whose jurisdiction the registered office of the Company falls. For the benefit of our customers, the above information on grievances be displayed at our branches.

VI)Gradation of Risks and Interest Rate Policy
This rate of interest is arrived at through Mahaveer Finance's interest rate model which takes into account relevant factors such as cost of funds, margin and risk premium. We take a comprehensive approach to the gradation of risk that does not discriminate between classes of borrowers, but rather tailors the interest rate to each loan. The decision to give a loan and the rate of interest thereon are carefully assessed on a case by case basis based on multiple factors which may include the borrower's cash flows (past, current and projected), borrower's other financial commitments, the borrower's credit record, the security for the loan as represented by underlying assets or other financial guarantees etc. Such information is gathered based on information provided by the borrower, credit reports, market intelligence and information gathered by field inspection of the borrower's premises.

The company usually charges the interest rates depending upon the type of models upto 15 years. The rate depends on the asset type (New/Used). The Company charges between 9% p.a to 18% p.a. flat interest rate amounting to an IRR of 15% p.a to 30% p.a.

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