



**MAANAVEEYA DEVELOPMENT & FINANCE PRIVATE LIMITED**

## **FAIR PRACTICES CODE**

Reviewed on: March 06, 2025  
Approved by: Board of Directors

*This has reference to the revised RBI Circular No. DNBR (PD) CC.No.054/03.10.119/2015-16 on dated 1<sup>st</sup> July 2015 and the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 as updated from time to time, wherein the Reserve Bank of India (RBI) has issued the guidelines on Fair Practices Code for NBFCs having customer interface.*

*The Fair Practices Code of the Company, as mentioned herein below, is in conformity with these Guidelines on Fair Practices Code for NBFCs as contained in the aforesaid RBI Master Direction. This sets minimum Fair Practice standards for the Company to follow when dealing with customers. It provides information to customers and explains how the Company is expected to deal with them on a day-to-day basis.*

Maanaveeya Development & Finance Private Limited (Maanaveeya) believes and commits itself to implementing fair practices in all its dealings with all its clients. Maanaveeya extends developmental support and bulk loans to established (i) Microfinance Institutions (MFIs), (ii) Financial Institutions for onward lending to MSME and (iii) Loans to Corporates who are in Renewable Energy Agri value chain business. Maanaveeya works with intermediate institutions and other corporates but not individual end clients.

**Preamble:**

Maanaveeya considers its Borrowers as Clients in the process of development of the poor. Maanaveeya gives bulk loans for the micro finance institutions and other organizations for the poverty alleviation through income generation projects. Maanaveeya recognizes that its loans are given as Socially Responsible Investment for empowering disadvantaged people with credit.

**MAANAVEEYA'S VALUES:****People**

All people are created equal. Maanaveeya thus extends credit to marginalized people irrespective of their faith, culture, age or gender and favors the initiatives of women, as they are the backbone of their families and thus society as a whole.

**Sharing**

An uneven distribution of resources, wealth and power lead to a world of conflict. When people in the North, South, East and West are prepared to share what they have, respect each other and co-operate together, justice and peace can rule in the world. Maanaveeya provides a mechanism for meaningful sharing.

**Spirit of Sharing**

Around the world, people of all faiths are willing to share their resources. Maanaveeya forms part of that worldwide coalition of solidarity.

**Grassroots**

Development is most effective when it stems from the grassroots. In the culture of Maanaveeya, people's initiatives and participation are central to all acts and policies.

**Integrity**

Respect between people implies honesty and truthfulness. Maanaveeya's determination is to listen with an open mind and communicate in full transparency on all parameters of its own policies. A code of conduct for those who determine the Maanaveeya course is part and parcel of this principle.

**Creation**

A wholesome eco-system is the basis for life. Animals, species and biodiversity should thus be preserved. Maanaveeya believes that a healthy balance in nature can only be achieved in a world where resources and power are evenly spread.

**MAANAVEEYA'S CODE OF FAIR PRACTICES:****Enquiries**

Maanaveeya will promptly attend to all enquiries received directly and send communications to all such enquiries or loan requests and inform the concerned whether their loan proposals meet the Maanaveeya loan criteria. Maanaveeya sources its clients through direct contacts and wherever required will forward the format of Loan Proposal to the prospective Clients (Borrowers) and the list of documents required for processing the loan proposals.

Maanaveeya deals with registered agencies / institutions, like NBFCs, Companies, Companies with Charitable objects (Sec. 8 of Companies Act, 2013), Societies & Trusts, spread across the country and engaged in microfinance or development activity. Maanaveeya does not deal with individual clients at the retail level directly. In view of its all India operations and dealing only with institutional clients who are fully familiar with English language, Maanaveeya ensures that all communication is in a language that the institution / agency understands and feels comfortable with. In case any customer dealing with Maanaveeya does not know English, communication with such Customers will be in language which they understand.

**Application for loans / Loan Proposals and their processing:**

The Application for loan/Loan Proposal format includes necessary information including that which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other Lenders can be made and informed decision can be taken by the Clients. The loan application also indicates the documents required to be submitted with the application form.

Maanaveeya acknowledges receipt of loan applications and indicate the time frame within which loan applications will be disposed. But in most of the cases, it is with existing Clients where contact has already been well established or sourced directly from the Clients.

**Loan appraisal and terms/conditions:**

After completing the loan appraisal and sanctioning of the loan by the competent authorities, Maanaveeya conveys in writing to the borrower by means of a commitment letter (sanction letter) or otherwise, the amount of loan sanctioned alongwith the terms and conditions including annualised rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the Clients on its record. Since

Maanaveeya deals only with institutional borrowers, sanction letter will be in a language the borrower is comfortable with, generally in English. Maanaveeya provides copy of the loan agreement to the borrower and will make efforts to mention penal interest charged for late repayment in bold in loan agreement or general conditions.

**Penal charges in loan accounts:**

*(added by virtue of circular dated August 18, 2023)*

Penalty, if any, charged by Maanaveeya, for non-compliance of materials terms and conditions of loan contract by the client is treated as 'penal charges' and is not levied in the form of 'penal interest' that is added to the rate of interest charged on the advances. There is no capitalisation of penal charges i.e. no further interest is computed on such charges. However, this will not affect the normal procedures for compounding of interest in the loan account.

Maanaveeya does not introduce any additional component to the rate of interest.

The quantum of penal charges, if any, is reasonable and commensurate with the non-compliance of material terms and conditions of loan contract without being discriminatory within a particular loan / product category.

The quantum and reason for penal charges is clearly disclosed by Maanaveeya to the borrowers in the loan agreement and most important terms & conditions / Key Fact Statement (KFS) as applicable.

Whenever reminders for non-compliance of material terms and conditions of loan are sent to borrowers, the applicable penal charges are communicated. Further, any instance of levy of penal charges and the reason therefor is also communicated by Maanaveeya

**Disbursement of loans including changes in terms and conditions:**

Maanaveeya gives notice to the Clients of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. Maanaveeya also ensures that changes in interest rates and charges are reasonable and effected only prospectively.

Decision to recall / accelerate payment or performance under the agreement will be in consonance with the loan agreement or general conditions.

In case of receipt of any request from the borrower for transfer of borrower account, Maanaveeya allows such transfer immediately on payment of all dues to the company and in any case, will communicate its decision within 21 days from the date of receipt of the letter.

Maanaveeya releases 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 Maanaveeya may have against Clients. If such right of set off is to be exercised, the Clients shall be given notice about the same with full particulars about the remaining claims and the conditions under which Maanaveeya is entitled to retain the securities till the relevant claim is settled/paid.

### **General**

Maanaveeya refrains from interference in the affairs of the Clients 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).

Maanaveeya communicates its decision on any request/s received from the client, within 21 days from the date of receipt of such request. Such decisions are as per transparent contractual terms in consonance with law.

In the matter of recovery of loans, Maanaveeya, as a policy and adhering to its developmental principles, does not resort to undue harassment viz. persistently bothering the clients at odd hours, use of muscle power for recovery of loans etc. Since Maanaveeya deals with institutional borrowers, and not individual clients, harsh recovery policy does not arise. The staff of Maanaveeya is adequately trained to deal with the clients in an appropriate manner.

### **Responsibility of Board of Directors:**

The Board of Directors of Maanaveeya has laid down the Grievance Redressal Forum within the organization, comprising senior management team to resolve any disputes. Such a mechanism ensures that all disputes arising out of the decisions of lending institutions' functionaries are heard and disposed of at least at the next higher level.

The Board periodically reviews the compliance of the Fair Practices Code and the functioning of the grievance redressal mechanism.

Board approved Grievance Redressal Mechanism is given below:

### **Grievance Redressal Mechanism:**

Maanaveeya redresses any grievance or complaint received from its client. The grievance or complaint received from any Client is entered in an electronic register and is normally

redressed within ten working days from the date of receipt of grievance or complaint and the same is communicated to the concerned and also noted in the register. All disputes arising out of the decisions of Maanaveeya's functionaries is heard and disposed of at least at the next higher level.

Maanaveeya has displayed the name and contact details (like Telephone / Mobile Number and mail id) of the Grievance Redressal Officer at its Registered Office and Regional Offices as & when established. The Board appointed Mr. B. Ram Babu, CFO of the Company as Grievance Redressal Officer of the Company. Non-satisfactory redressal by the grievance officer can be escalated to the Managing Director.

If the complaint/dispute is not redressed within a period of one month, he can appeal to Officer-in-Charge of the Regional Office of Department of Non-Banking Supervision of RBI under whose jurisdiction the Registered Office of the Maanaveeya falls. The details of DNBS are as given below:

Reserve Bank of India (RBI)  
Dy. General Manager, Department of Non-Banking Supervision  
6-1-56, Secretariat Road, Saidabad, Hyderabad, Telangana 500004, Tele-040  
2321 0013, Email Id.: [doshyderabadic@rbi.org.in](mailto:doshyderabadic@rbi.org.in)

#### **Review of the compliance of the Fair Practices Code:**

**The Managing Director of Maanaveeya will review the compliance of the Fair Practices Code and the functioning of the grievance redressal mechanism regularly. A report on the compliance of the Fair Practices Code and the functioning of the grievance redressal mechanism will be placed before the Board of Directors of the company once a year.**

#### **Regulation of Interest Rates & Excessive Interest Charged:**

Maanaveeya charges reasonable and market led interest rates, which are agreed with the clients. However, Maanaveeya follows an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium etc. so as to determine the rate of interest to be charged for loans and advances. Maanaveeya charges only annualized interest rates on reducing balance.

The company has developed appropriate internal principles and procedures in determining interest rates and processing and other charges. The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers is disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter.

**Charging of Interest:**

*(added by virtue of RBI guidelines dated April 29, 2024)*

Maanaveeya charges interest from the date of actual disbursement of the funds to the client mostly through online mode. However, in case the disbursement is made through cheque, the interest is charged from the date of credit of loan amount in the account of client.

In case of disbursal or repayment of loan during the course of the month, interest is charged only for the period for which the loan remains outstanding.

Maanaveeya is not collecting any advance EMI from clients.

The rates of interest have been available in the website of the company and the information on interest rates published in the website is updated whenever there is a change in the rates of interest.

**Complaints about excessive interest charged by NBFCs:**

The company follows standard internal guidelines and procedures in determining interest rates and processing & other charges as approved by the competent authority by way of "Interest Wizard". Maanaveeya doesn't charge excessive interest rate.

**NBFC-MFI Guidelines:**

Maanaveeya is not an NBFC-MFI. However, as Maanaveeya is lending to MFIs for onward lending and keeping in view the interest of the poor people, Maanaveeya endeavors to facilitate implementation of Fair Practices code stipulated for the NBFC-MFI Clients. As a first step in that direction, Maanaveeya has informed all its NBFC-MFI Clients to adhere to RBI Guidelines on Fair Practices Code.

**Others:**

Maanaveeya is not into auto finance and does not finance vehicles, hence there is no re-possession of vehicles. Maanaveeya is not a gold loan company and hence does not finance individuals against gold jewellery. Maanaveeya extends loan to corporates and not to individuals, hence loan facilities to physically/ visually challenged is not applicable.



**Review of the Fair Practices Code:**

Maanaveeya will review the Fair Practices Code, enhancing the scope of guidelines in no way sacrificing the spirit underlying the above guidelines, on annual basis or as stipulated by regulator.

The Fair Practices Code of the company is put up on its web-site, [www.maanaveeya.org](http://www.maanaveeya.org), for the information of various stakeholders.

**Revision Clause:** *Since regulators may revise their instructions on regular basis, as advised by the regulator, the aforesaid Code of the company is deemed to be revised/ altered, implemented as per changed statutory guidelines, as and when extant of instructions are revised by the regulators.*

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