

AD-MANUM FINANCE LIMITED

FAIR PRACTICE CODE

BACKGROUND AND APPLICABILITY OF THE CODE

The Reserve Bank of India, by its Notification No.RBI/2006-07/138DNBS. (PD)/ CC No. 80/03.10.042/2005-06 dated September 28, 2006 read with notification no. RBI/2011-12/470 DNBS.CC.PD.No. 266/03.10.01/2011-12 dated March 26, 2012, DNBS. CC.PD.No. 320/03.10.01/2012-13 dated February 18, 2013 and Master Circular RBI/2014-15/34 DNBS (PD) CC No.388/03.10.042/2014-15 dated July 1, 2014, prescribed the broad guidelines on fair practices that are to be framed and approved by the Board of Directors of all Non-Banking Financial Companies (NBFCs) and should be published and disseminated on the web-site of the Company, if any, for the information of the public.

Ad-Manum Finance Limited (hereinafter referred to as "AMFL" or "the Company") is a public limited company incorporated under the provisions of the Companies Act, 1956 and is a non-deposit taking non-banking financial company registered with the Reserve Bank of India.

1. Applications for loans and their processing

- a) AMFL official language for all communications within the Company or with third parties shall be English.
- b) All communications to the borrower shall be in English or in vernacular language / the language as understood and confirmed by the borrower.
- c) Loan application of AMFL will 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.
- d) The documents required to be submitted with the loan application including KYC documents will be informed to the borrower separately.
- e) AMFL shall provide to the prospective borrower an acknowledgement for receipt of all loan applications. The time frame within which loan applications will be disposed of will be indicated in the acknowledgement.

2. Loan Appraisal and Terms/ Conditions

- a) AMFL shall convey in writing to the borrower in English or in vernacular language / the language as understood and confirmed by the borrower, the fate of the loan application by means of sanction letter or otherwise. In case of sanction of loan, the sanction letter shall contain the amount of loan sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof.



b) The acceptance of the terms and conditions communicated by the borrower shall be persevered by AMFL on its record and copy of same shall be provided to the borrower upon its request.

c) AMFL shall mention the penal interest charged for late repayment in bold in the sanction letter and loan agreement.

d) AMFL will invariably furnish a copy of loan agreement along with a copy of each enclosures quoted in the loan agreement to all borrowers at the time to sanction/disbursement of loan in English or in vernacular language / the language as understood by the borrower.

3. Disbursement of loans including changes in terms and conditions

a) AMFL shall give notice to the borrower in English or in vernacular language / the language as understood by the borrower, of any change in the terms and conditions including disbursement schedule, annualized interest rates, service charges, prepayment charges etc. Changes in interest rates and charges shall be effected prospectively and a suitable condition in this regard shall be incorporated in the loan agreement.

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

c) AMFL 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 AMFL may have against 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 AMFL are entitled to retain the securities till the relevant claim is settled/paid.

4. General

a) AMFL will 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 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 AMFL, if any, should be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per contractual terms entered into with the borrower and in consonance with law, statutes, rules, regulations and guidelines as may be applicable from time to time.

c) In the matter of recovery of loans, AMFL shall not only resort 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 etc.

d) AMFL shall ensure that the staff is adequately trained to deal with the customers in an appropriate manner.



e) Pursuant to DNBS.PD/CC.No.95/03.05.002/2006-07 dated May 24, 2007 in respect to complains about excessive interest charged by NBFC, AMFL has laid appropriate internal principles and procedures in determining interest rates and processing and other charges.

f) Pursuant to notification no. DNBS.(PD).C.C.No.133/03.10.001/2008-09 dated January 2, 2009 in respect to regulation of excessive interest charged by NBFCs, AMFL has adopted an Interest Rate Model taking into account relevant factors such as cost of funds, margin and risk premium, etc. to determine the annualized rate of interest to be charged for loans and advances. AMFL will disclose the annualized rate of interest and the approach of gradations of risk and rationale for charging different interest to different categories of borrowers in the application form and will communicate explicitly in the sanction letter. The same is published and disseminated on the web-site of the Company.

5. Grievance Redressal Mechanism .

A Grievance Redressal mechanism has been incorporated in the Stake holder Relationship Committee (former Investors Grievance Committee) of the Company comprising of two non-executive Directors to resolve all disputes arising in this regard. The mechanism will ensure that all the disputes arising out the decisions of lending institution's functionaries are heard and disposed of at least at the next higher level. The Board of Directors will periodically review the compliances of Fair Practice Code and the functioning of the grievances redressal mechanism at the various levels of Management. The consolidated report of such reviews will be submitted to the Board at subsequent Board Meetings.

For grievances, customers can write to:

The Compliance Officer

CS M.R. Sheikh

Ad-Manum Finance Limited

"Agarwal House" Ground Floor,

5, Yeshwant Colony, Indore-452003

Contact no: 9644042333

6. Regulation of excessive interest charged

The Company shall frame appropriate internal principles and procedures for determining the interest rates and processing and other charges, if any, and also to ensure that they are not excessive. The Company shall, at the time of disbursement, ensure that the interest rate and other charges, if any, on loan and advances are in strict adherence to above referred internal principles and procedures. The rate of interest shall be annualized rates to make the borrower aware of the exact rates that would be charged to the account.

The Amended Fair Practices Code has been adopted by the Board of Directors at their meeting held on May 30, 2018 and shall come into force with immediate effect

