



**Motilal Oswal Financial Services Ltd (MOFSL)**

**Fair Practices Code**

With a view to institute fairness, transparency and healthy practice in rendering the lending business the Company has adopted and put in place the following updated Fair Practice Code in accordance with the Reserve Bank of India circular no.DNBS.CC.PD.No.266 /03.10.01/2011-12 dated March 26, 2012.

**Objectives :**

- To promote good and fair practices by setting minimum standards in dealing with customers;**
- To increase transparency and to make the customer understand the services clearly ;**
- To encourage market forces, through competition, to achieve higher operating standards;**
- To promote a fair and cordial relationship between customer and the Company;**

**Application of the code :**

This code shall apply to the Company and all employees of the Company and other persons who are authorized on behalf of the Company to represent it in the course of its business, whether the products and services are provided across the counter, over the phone, by post, by email, through interactive electronic device, on the internet or by any other mode.

**Advertising, Marketing and Sales :**

The Company shall ensure that all advertising and promotional material is clear and not misleading. The Fair Practice Code shall also apply to sales Associates/ representatives of the company to the extent of their identification when they approach the customer for selling products personally. In case of any advertisement in any media and promotional literature that draws attention to a service/product and its interest rate, the Company shall also provide the details of other fees or charges, if any. Further on the request of the customer, The Company shall provide the details of relevant terms and conditions.

**Credit Reference Agencies :**

The Company would give information about customers to credit reference agencies on opening of an account, the customer who has defaulted in his/her payments and the performance of loan account which includes how much loan has been sanctioned and the subsequent performance, legal proceedings have been initiated against the customer to recover the dues, Debts settled through legal recourses against the customer. The Company may give credit reference agencies

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other information about the customer's account if law requires it or the customer has given them his/her permission to do so.

**Know Your Customer (KYC) Guidelines :**

The Company shall explain the requirements of KYC guidelines to its customers and inform them about the documents required for establishing the identity of the customer before loan sanctioning, account opening and operation.

The Company would obtain only such information to meet with company's KYC, Anti-Money Laundering or any other statutory requirements. In case any additional information is asked for, it will be sought separately and shall specify the objective of obtaining such additional information.

**Application for loans and their processing**

- (a) The official language for all communications with in 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) The company will take a confirmation from the prospective borrower that all communications with the borrower shall be in English or in vernacular language / the language as understood by the borrower
- (d) Loan application 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
- (e) The documents required to be submitted with the loan application including KYC documents will be informed to the borrower separately.
- (f) The company 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.

**Loan appraisal and terms/conditions**

- (a) The company shall convey in writing to the borrower in English or in vernacular language /the language as understood and confirmed by the borrower, by means of sanction letter or otherwise the amount of loan sanctioned along with 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 borrower on its record.
- (b) The company shall mention the penal interest charged for late repayment in bold in the loan agreement.

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- (c) The company shall furnish a copy of the loan agreement, where the borrower requires, loan in English or in vernacular language / the language as understood by the borrower along with a copy each of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction / disbursement of loans.

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

- (a) The company 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, 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) The company would release all securities on repayment of all dues or on realisation of the outstanding amount of loan subject to any legitimate right or lien for any other claim the company 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 the company is entitled to retain the securities till the relevant claim is settled/paid

**General**

- (a) The company 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 borrowal account, the consent or otherwise i.e. objection of the company 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
- (c) In the matter of recovery of loans, the company shall not resort only 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) The company shall ensure that the staff is adequately trained to deal with the customers in an appropriate manner.
- (e) Pursuant to notification no. DNBS.204/CGM (ASR)-2009 dated 2 January 2009 in respect to regulation of excessive interest charged by NBFCs, the company has adopted an Interest Rate Policy taking into account relevant factors such as cost of funds, margin and risk premium, etc. to determine the rate of interest to be charged for loans and advances and same is published and disseminated on the web-site of the Company.
- (f) Further, the Company shall intimate to the Customer about any change in the terms and

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conditions including the disbursement schedule, interest rates, service charges, prepayment charges, if any etc.

**Grievances Redressal**

**Internal Procedures**

The company has put in place a detailed process for redressal of the customer grievances, duly approved by the Board of Directors.

In case of any complaint/ grievance, the applicant / borrowers may contact the Company through anyone of the following channels:-

Grievances Redressal Officer	: Ms. Anu S Mohnot
Telephone	: 022 3080 1000 / 01
Mobile No	: 91676 18594
Fax	: 022-2844 9110
E-mail	: lasgrievances@motilaloswal.com
Visit us at	: www.motilaloswal.com
Post	: Palm Spring Centre, 2nd Floor, Palm Court Complex, : New Link Road, Malad (West), Mumbai-400 064.

We have prominently displayed the contact details of Grievance Redressal Officer at our business locations, for the benefit of our customers.

After examining the matter, it will be our endeavor to provide the borrower / applicant with our final or other response, within a period of two (2) weeks and within a maximum period of four (4) weeks from receipt of such complaint

**General :**

The Company reserves the right to amend /alter /modify the codes as mentioned herein above and provide updates from time to time, not affecting/sacrificing the underlining spirit of the code.

The Company shall periodically review the compliance of this Code and the functioning of the grievance redressal mechanism at various levels of management.

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