

MUTHOOT MICROFIN LIMITED

Fair practices code adopted with respect to Microfinance Business as per Circular No. DNBS. CC. PD. No. 320/03.10.01/2012-13 dated February 18, 2013.

i) General

The FPC will be displayed in vernacular language in all branch premises. Field staff will be trained to make the borrower fully aware of the procedures and systems related to loan /other products. The rate of interest charged and grievance redressal mechanism will be displayed in all branch premises in vernacular language and in the company website. The KYC guidelines of RBI shall be complied with. All sanctioning and disbursement of loans should be conducted at a central location involving more than one person during normal working hours at a predetermined date. The procedure for application of Loan and disbursement procedure will be adequately simple and the pre- determined time structure will be adhered to.

ii) Disclosures in Loan agreement /Loan card

1. The board approved standard form of loan agreement /loan card in vernacular language shall be followed. The loan agreement shall disclose the following:
 - a. All the terms and conditions of the loan,
 - b. that the pricing of the loan involves only three components viz; the interest charge, the processing charge and the insurance premium (which includes the administrative charges in respect thereof),
 - c. that there will be no penalty charged on delayed payment,
 - d. that no Security Deposit / Margin is being collected from the borrower,
 - e. that the borrower cannot be a member of more than one group (SHG / JLG) and can borrow from maximum two MFIs,
 - f. the moratorium between the grant of the loan and the due date of the repayment of the first instalment is as guided by the NBFC-MFIs(Reserve Bank) Directions, 2011,
 - g. An assurance that the privacy of borrower data will be respected.
2. The loan card shall reflect the following details as specified in the Non-Banking Financial Company - Micro Finance Institutions (Reserve Bank) Directions, 2011:
 - a. the effective rate of interest charged,
 - b. all other terms and conditions attached to the loan,
 - c. information which adequately identifies the borrower,
 - d. Acknowledgements by the NBFC-MFI of all repayments including instalments received and the final discharge,

- e. The loan card should prominently mention the grievance redressal system set up by the MFI and also the name and contact number of the nodal officer,
- f. Non-credit products issued shall be with full consent of the borrowers and fee structure shall be communicated in the loan card itself,
- g. All entries in the Loan Card should be in the vernacular language.

iii) Non- Coercive Methods of Recovery

1. Recovery shall be made only at a central designated place. Field staff shall be allowed to make recovery at the place of residence or work of the borrower only if borrower fails to appear at central designated place on two or more successive occasions.
2. The procedure as provided in the manuals read together with Fair Practice Code covers the Code of Conduct by field staff and systems for their recruitment, training and supervision.
3. Training to field staff includes programs to inculcate appropriate behavior towards borrowers without adopting any abusive or coercive debt collection / recovery practices.
4. Penalties shall be imposed on cases of non-compliance of field staff with the Code of conduct.

iv) Internal control system

The compliances officer is assigned responsibility for ensuring compliances to Fair Practices Code. The internal auditor will periodically audit and include compliances as a part of reporting.

v) Redressal Mechanism

A separate redressal mechanism has been put in place for the Micro Finance Loans granted by the Company. Any complaints from the borrowers on any functionaries or of the decisions of the Company will be heard at higher levels. The complaints can be made at the Field Office levels to :

- i) Area Manager (Ops)
- ii) Regional manager (Ops)
- iii) Zonal Manager (Ops)
- iv) Chief Manager (Ops)
- v) Head Operations

Customers who wish to send in complaints/ feedback at the Head Office Levels can use the following channels:

Helpline: 0484 4277500

Email: mmlcomplaints@muthoot.com

Write to us at the following address: Officer in Charge, Muthoot Microfin Limited, 5th Floor, Muthoot Towers, M.G Road, Kochi, Kerala – 682035

The name, address and contact No. of the Officers mentioned above are displayed at all Branches for information of the Customers.

If the complaint is not resolved within one month the Customer can approach the General Manager, Reserve Bank of India, Department of Non-Banking Supervision, Mumbai Regional Office, 3rd Floor, Opp. Mumbai Central Railway Station, Byculla, Mumbai – 400 008.
Tel: 022 23022019. Email: dnbs@rbi.org.in