

**Morarka Finance Limited**  
**Registered Office:**  
**511, Maker Chambers V,**  
**221, Nariman Point,**  
**Mumbai –400 021**

**FAIR PRACTICE CODE**

The company has adopted the following Fair Practice Code pursuant to the requirements of RBI vide its Circular No. RBI/2011-12/470 DNBS.CC.PD.No 266/03.10.01/2011-12 dated March 26, 2012.

SNAPSHOT about Company's Business Profile:

1. The company is neither into the business of NBFC – micro finance Institutions (MFI)\*, nor it shall foray into NBFC – MFI business as per Non Banking Finance Institution (Reserve Bank) Directions, 2011.
2. The company shall not foray into money lending business against Gold.
3. The company shall not caper into the business of lending money for buying vehicles.
4. It is the company and relevant party who shall strictly determine the interest rate on any money lending activities by the company.

A. Loan Application & Processing:

Loan Application shall be accepted only from the body corporate and that too is normally confined to group and associate companies and entities within the limits prescribed. The company may not have any specified or standardized Application form for loan granting containing the terms and stipulations thereof but the details of the loan together with terms and conditions on which the loan is granted shall be discussed with borrowing entity with complete transparency and fairness applying the true spirit envisaged in the RBI's guidelines in the FPC. The company shall intimate the grant of loan and probable date of disbursement of the loan to the Borrower.

B. Loan appraisal system and communication of loan:

The Board of Directors shall have the power to approve the loan together with its terms and conditions and the company shall inform the approval of the loan or otherwise to the borrower together with terms and conditions on which it is granted and interest rate per annum and application method.

C. Time line for loan disbursement and change in terms and conditions of the loan:

The company shall endeavour to release the payment of loan as soon as it can once the board or committee or delegated authorities accord its approval as agreed upon with borrower. The company shall intimate to the borrower regarding any change in defraying schedule, rate of interest, service charge, pre payment charge, if permissible and any other charges. Further, the change in rate of interest shall not be having any retrospective effect and shall be applicable for future period only. The parties concerned shall reciprocally decide on the acceleration of payment or any other performance or execution. The company shall release all the securities on repayment of all dues and realization of any out standing obligation on part of borrower subject to any legitimate right or lien for any other claim the company is having on the borrower. In case of set off action, the company shall serve notice to the borrower providing with him complete details about residual claims and the terms and stipulations whereunder the company shall have the right to retain the securities for the settlement or payment of claim.

D. Borrowal account transferring:

The company, on request of borrower for borrowal's account transferring, shall promptly act on the same and may accept the same within 21 days from such transfer and if there shall be objection, the company shall inform the same within 21 days time of receipt of request to the borrower regarding its objection. If the transfer shall be agreed upon, the transparency and compliance of applicable law shall not be done away with in any circumstances.

E. Burying the hatchet:

All the contentions and discords between borrower and the company regarding the compliance of any terms of loan shall be attended to and solved by Mr B J Maheshwari, Director & Mr Vijay S Banka, Director ,severally and on failure of arriving at any amicable solution, the matter shall be referred to the Board.

F. The controlling function:

The code shall be continuously reviewed and looked after by Mr B J Maheshwari, Director of the company. He may refer such matters that requires Board's attention with respect to the code and new development

G. The spirit of the code:

The company and its officers shall always endeavour to apply the spirit of the code by conduct and demeanour rather than keeping it on the paper.

=== OOO ===

\*Extract of definition of NBFC- MFI:

An NBFC-MFI is defined as a non-deposit taking NBFC (other than a company licensed under Section 25 of the Indian Companies Act, 1956) that fulfils the following conditions:

- i. Minimum Net Owned Funds of Rs.5 crore. (For NBFC-MFIs registered in the North Eastern Region of the country, the minimum NOF requirement shall stand at Rs. 2 crore).
- ii. Not less than 85% of its net assets are in the nature of "qualifying assets."