



MUKESH BABU FINANCIAL SERVICES LIMITED

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FAIR PRACTICES CODE

Approved on	07.05.2026
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1. Introduction

This Fair Practices Code (“Code”) has been adopted by Mukesh Babu Financial Services Limited (“Company” or “NBFC”) in accordance with the guidelines issued by the Reserve Bank of India (“RBI”) on Responsible Lending Conduct. The Company is committed to conducting its business in a fair, transparent, and ethical manner while dealing with its customers.

This Code shall be applicable to all products and services offered by the Company having a customer interface and shall be made available on the Company’s website for the benefit of stakeholders.

2. Applications for Loans and Their Processing

- 2.1. All communications with borrowers shall be in the vernacular language or a language as understood by the borrower.
- 2.2. Loan application forms shall include all necessary information affecting the interests of the borrower, including key terms and conditions, to enable meaningful comparison with other lenders and facilitate informed decision-making.
- 2.3. The application form shall clearly specify the list of documents required to be submitted along with the application.
- 2.4. The Company shall provide an acknowledgement for receipt of all loan applications, indicating, where feasible, the time frame within which the application will be processed and disposed of.

3. Loan Appraisal and Terms / Conditions

- 3.1. The Company shall convey in writing to the borrower, in a language as understood by the borrower, the sanction of the loan through a sanction letter or equivalent communication.
- 3.2. Such communication shall include:
 - the amount of loan sanctioned;
 - the annualised rate of interest and method of application;
 - all applicable terms and conditions; and
 - details of penal charges, which shall be clearly highlighted in bold in the loan agreement.
- 3.3. The Company shall obtain and retain the borrower’s acceptance of the terms and conditions.



- 3.4. The Company shall provide the borrower with:
- a copy of the loan agreement; and
 - copies of all documents and enclosures referenced therein, at the time of sanction or disbursement of the loan.

4. Disbursement of Loans and Changes in Terms

- 4.1. The Company shall provide prior notice to the borrower, in a language understood by the borrower, of any changes in:
- interest rates;
 - service charges;
 - prepayment charges;
 - disbursement schedule; or
 - any other terms and conditions.
- 4.2. Any changes in interest rates and charges shall be applied prospectively only, and this condition shall be incorporated in the loan agreement.
- 4.3. Any decision to recall or accelerate repayment shall be in accordance with the terms of the loan agreement.
- 4.4. Upon repayment of all dues, the Company shall release all securities, subject to any legitimate lien or right of set-off. In such cases, the borrower shall be duly notified with full particulars.

5. General Conduct

- 5.1. The Company shall not interfere in the affairs of the borrower except as provided in the loan agreement or where undisclosed material information comes to light.
- 5.2. Requests for transfer of borrowal accounts shall be processed transparently, and the Company shall communicate its decision within 21 days of receipt of such request.
- 5.3. The Company shall adopt fair and lawful recovery practices and shall not resort to:
- harassment;
 - intimidation;
 - use of force; or
 - contacting borrowers at inappropriate hours.
- 5.4. Staff shall be adequately trained to interact with customers in a professional, courteous, and respectful manner.



6. Interest Rate Policy

- 6.1. The Company's Board shall adopt an interest rate model considering:
- cost of funds;
 - margin; and
 - risk premium.
- 6.2. The Company shall disclose:
- the rate of interest;
 - the methodology for determining interest rates; and
 - the approach for risk-based pricing,
- in the loan application form and sanction letter.
- 6.3. Interest rates shall be expressed as annualised rates to ensure transparency.
- 6.4. The interest rate policy and applicable rates shall be published on the Company's website and updated periodically.

7. Excessive Interest and Charges

- 7.1. The Company shall ensure that interest rates and charges are reasonable, transparent, and consistent with industry practices.
- 7.2. The Company shall not levy excessive or usurious interest rates or charges.

8. Repossession of Assets

- 8.1. The loan agreement shall contain a legally enforceable repossession of assets clause, where applicable.
- 8.2. The terms and conditions shall clearly outline:
- notice period before repossession of assets pledged/mortgaged;
 - circumstances for waiver of notice;
 - repossession procedure;
 - opportunity for the borrower to repay before sale/auction;
 - procedure for return of repossessed assets; and
 - procedure for sale or auction.
- 8.3. A copy of such terms shall be provided to the borrower as part of the loan documentation.

9. Non-Discrimination and Accessibility

- 9.1. The Company shall not discriminate against applicants, including those with physical or visual disabilities, in the provision of financial products and services.



9.2. The Company shall provide necessary assistance to enable such individuals to access its services.

9.3. Employee training programs shall include sensitisation on the rights of persons with disabilities.

9.4. Grievances of persons with disabilities shall be addressed under the Company's existing grievance redressal mechanism.

10. Grievance Redressal

10.1. The Company shall establish an effective grievance redressal mechanism for resolving customer complaints in a timely manner.

10.2. Details of the grievance redressal mechanism shall be displayed on the Company's website and at relevant offices.

11. Review of the Code

This Code shall be reviewed periodically and updated as necessary to ensure compliance with applicable laws, regulations, and RBI guidelines.

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